Integrated Annual Report 2023-24
Berger Paints India Limited

Berger
Paint your imagination

100 YEARS OF TRUST

# 100 years




## Legacy of Trust. Innovating for the future.

# Legacy of trust.

# Innovating for the future.

A **100** -year journey is much more than just marking a milestone. It is an indelible imprint of courage, innovation, resilience, and adaptability – staying relevant and ready for an ever-changing world. From humble beginnings in 1923 to becoming a global leader in the paints and coatings industry, we, at Berger Paints, have painted countless dreams with vibrant hues, earning the trust of millions with an uncompromising commitment to quality.

On the way, we navigated significant events that changed the course of humanity — from economic depression to attaining independence and economic liberalisation to a global pandemic — we have seen it all! Yet, we stand undeterred and committed to making a difference in the lives of future generations.

From introducing products that redefined industry standards to pioneering eco-friendly coatings, developing advanced protective paints, and launching colour-tinting machines, Berger Paints has consistently demonstrated forward-thinking. What remains unchanged is the firm foundation of integrity and excellence on which we are building an institution that has clearly set its sights on the next century with a renewed sense of purpose.

As we enter the next 100, we believe it will be as vibrant and illustrious as the last. We invite you to be part of this journey as we continue to inspire creativity, drive innovation and transform the way the world experiences colour.

## The story of Berger Paints

# Berger Paints.
# Used across generations.
# Lasts for generations.
# Trusted by
# generations.




Berger Paints' enduring journey in India's paint industry is fuelled by the legacy of trust it has cultivated among its stakeholders over the years. This trust forms the cornerstone of Berger Paints' success, enabling strong partnerships and sustained leadership.

# The story of Berger Paints

The legacy of trust we have cultivated among our stakeholders over the years has fueled Berger Paints' journey in India's paint industry.




- **This trust** has led us to continuously innovate, disrupt the market, create categories, and lead segments.
- **This trust** is evident in our ability to attract and retain dealers across the country, some of whom have been with us for generations. This trust in our products empowers us to introduce solutions that have protected critical infrastructures in the country for decades. This trust has enabled us to attract, nurture, grow and retain talents.
- **This trust** has helped us grow our capacity with 29 manufacturing facilities across India, Nepal, Poland and Russia.
- **This trust** has helped us grow beyond the nation's boundaries and attain leadership in certain countries worldwide.
- **This trust** has forged partnerships with global paints leaders and has continued associations for decades. This trust created thousands of trained paint professionals through our focused iTrain programme. This trust has allowed us to offer constant returns to our shareholders.

## A legacy of trust translating into sustained leadership

**7th largest**
Decorative paints company in the world

**~10 Lakh**
Painters trained through iTrain programme since beginning

**Leader**
In Protective Coatings for decades

**81 times**
Revenue growth in the past three decades

**4th largest**
Paint company in Asia

**2nd largest**
Paint company in India

**~64,000**
Dealers across India

**06**
Active joint ventures, partnerships and associates

**15th**
Largest Paint Company in the world

**Leader**
In GI Segment in India along with SBL Specialty Coatings Pvt. Ltd.

**19.7%**
Market share standing (in the listed space)

**206th**
Position in Fortune India 500 list for 2023

**Leading Player**
In water proofing and construction chemicals along with it's subsidiary STP Limited

## The story of Berger Paints

# Beginning of an odyssey

## The world of paints changed when the Europeans landed in India. They opened new routes to access dyes and pigments beyond the seas and introduced fresh creative techniques.

Paints were initially imported from Europe, and with the growth of the railway network, infrastructure, institutions and industry, urbanisation grew apace, creating opportunities for paint manufacturers.

However, it was not until paint imports stopped after World War II that the domestic market came to be dominated by the indigenous players. It was a time when European manufacturers set up base in India, and that is how the **earliest Indian paint companies**, including Berger Paints' earlier incarnation, were born.

### Among the oldest Indian paint companies

Our odyssey began in 1923 when a young English gentleman, George Hadfield, started shaping us with his vision. Arriving in the bustling city of Calcutta (now Kolkata), he set up a small paint company on the banks of the mighty Hooghly River in what we today know as Howrah. Our Company initially offered paints, varnishes, and distempers, and it was named Hadfields (India) Limited.

As part of our rich legacy, our Howrah plant is the oldest functioning paint factory in India. We, at Berger Paints, take pride in keeping it alive and functioning, implementing innovations, and retaining some of our oldest employees.

### A colourful genesis

In 1947, Hadfields Limited became British Paints India Limited and successfully produced about 150 tonnes of ready-mix stiff paints, varnishes, and distempers annually, with yearly sales of about ₹ 25 Lakhs. We started our journey with 100 employees, who became a part of history when Berger Paints from the UK and Jenson & Nicholson, acquired British Paints in 1969, marking the beginning of the making of an iconic legacy in India.

We began our transformative journey when our Company was still named British Paints. During the 1970s, our Company ventured into modern segments, introducing new-generation paint products, including industrial, marine, and decorative coating paints.

### Changing for the better

In 1976, our Company experienced a significant change when the ownership shifted to the UB group. Under the new leadership, Mr. Biji K. Kurien took over as the new Managing Director, transforming the work culture of our Company and shifting the focus from industrial to decorative paints. Mr. Kurien onboarded fresh talent and granted the management enough autonomy to make the right decisions.

### Turning trials into triumphs

However, we soon found ourselves at a crossroads, facing operational challenges amid the competitive domestic paint market. We embarked on a reinvention journey to thrive and gain an edge over our competition. We pioneered the concept of contract manufacturing to improve our operating and supply chain efficiency. Other initiatives to enhance our productivity and operational excellence were also set in motion, helping Berger Paints to gain market share. **By 1980, we became the fourth largest player in the Indian market.**

### Rebranding for success

In 1983, we rechristened ourselves as Berger Paints India Limited (BPIL). This switch was more than a name change; it marked a strategic shift, dividing our operations into the Retail Business Line (RBL) and the Industrial Business Line (IBL), both aimed to improve customer service. The new trade name and logo, swifty, became ingrained in the minds of our customers and made its place in Indian households as a trusted brand over the next two decades.

## The story of Berger Paints

# The Dhingras add their expert touch



1991 was a watershed year for India. The socialistic shackles were broken, setting the stage for the emergence of a global economic powerhouse today. It was also a year of inflection for Berger Paints. Scions of the Dhingra family of Amritsar, Mr. Kuldip Singh Dhingra and Mr. Gurbachan Singh Dhingra, acquired controlling stake of Berger Paints from UB Group, and set off momentous changes.

## A fresh coat

The Dhingra brothers were veterans in the paint business. Their family-run business comprised a paint distributorship in Amritsar and some paint factories in and around Delhi. The Dhingras had a thriving business under Rajdoot Paints, which was sold within India. They also exported paints to bigger markets, such as the Soviet Union, which was lucrative. With the fall of the USSR, the Dhingras shifted their focus to the domestic market. While Mr. Kuldip Singh Dhingra brought his expertise in marketing and sales to Berger Paints, Mr. Gurbachan Singh Dhingra looked after production and technology.

Scaling new heights, our veterans played their part even though new professionals came in. By then, Mr. Subir Bose, who had completed a decade in Berger Paints had taken over as the new Managing Director. The new leadership brought down the cost under contract, began capacity expansion and brought in fresh investments.

Berger Paints became a professionally run company under the astute guidance of the Dhingra brothers, who instilled trust and confidence among the employees. They were hands-on but avoided micromanaging day-to-day operations. They stood like a rock through crests and troughs, creating the foundation for building an enterprise that could remain relevant for decades.

Under their expert management, sales more than doubled from ₹ 1.15 Billion in 1991 to ₹ 2.76 Billion by 1995-1996. Our Company started gaining market share in a sector dominated by domestic and international behemoths.

The priorities for driving accelerated growth were clear: focus on the decorative segment and create a distinctive identity, strengthen market position in industrial paints, expand presence in India and the international markets, invest in capacities and capabilities, and create an organisational culture that fosters innovation, professional freedom, and equality.

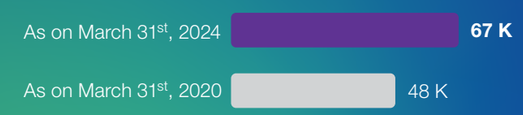
## Berger Paints' five-point focus

- Create distinct identity in the Decorative segment
- Continued leadership in the Industrial segment
- Market expansion
- Capacity and capability expansion
- Create an enabling work culture

## This differentiated strategy has led to three decades of unprecedented growth

### Market capitalisation

(₹ in Cr)



## The story of Berger Paints

# Entering the game and changing it

Having begun as a player in the industrial segment, we forayed into decorative paints in the 1990s. It was not smooth sailing, but despite the stiff competition and the initial hiccups, we found our feet through constant product enhancement and innovation. We were the first to introduce one-of-a-kind, computerised colour-tinting machines.

### Taking the first step

We launched our first acrylic emulsion paint, Luxol Silk, leveraging new opportunities in the decorative paints segment. The product helped Berger Paints gain some headway in the market. But we still needed to attain market leadership.

Our new management faced two crucial questions: Why would a customer prefer our products? Also, why would painters and dealers – the two major influencers impacting the buying decisions of paint consumers – recommend our products?

The strategy from then on was clear. First, we had to leverage our strong R&D experience to introduce products that were more than just functional – they had to serve customers' latent needs. Second, we had to focus on creating a strong network of loyal dealers across the country.

### The gamechanger

In 1996, Berger Paints disrupted the decorative paints market in India by introducing the Colour Bank, a colour tinting machine installed at dealer sites. The size of an ATM, the colour-tinting banks worked on colour-mixing formulas in their microchips. Each machine could store more than 5,000 such formulas, converting a wide range of colour shades with their respective shade codes.

This move solved the problem of many of our dealers, who could not store different types of colours because of inventory issues, unpredictable demand, or limited investment. With the colour-tinting machine, they needed to just punch in the shade code and select a base variant – pastel, medium, or dark – and the machine would drop the required colour pigments in a paint can.

Within two years, we successfully installed 400 machines, a third of the total number of machines eventually installed, helped by an aggressive sales pitch and an on-ground incentive scheme for dealers to promote colour tinting machines.



## Disappointment to disruption

Sometimes, being ahead of time has its consequences. When we launched the industry's first Breathe Easy segment, a premium, odourless, and VOC-free paint, it did not resonate with our consumers. However, today it is considered as a trendsetter.

The global pandemic increased awareness of one's well-being, making Breathe Easy more prominent in the lives of our consumers. Backed by our robust R&D team, we provided our customers options that addressed their health and hygiene concerns with a revamp of our Breathe Easy products, launching Berger Silk Breathe Easy and Breathe Easy Safe 24.

## Creating a Pan-India network

Our path-breaking products and solutions soon attracted the attention of the dealers. While we invested in capacities nationwide, we built a strong network of dealers and distributors backed by our robust logistic support. We started one of our dealers' earliest loyalty programmes – Berger Gold Card Club – and provided them with attractive rewards, including trips, one of the first in the industry. Furthermore, our innovative iTrain programme imparted focused training to create an army of skilled painters, providing employment opportunities on hand and building a loyal base of influencers on the other.

## Innovation takes centre-stage

Stains on painted walls have always been a pain point for consumers. Removing them invariably leads to discolouration. We disrupted the market with our washable paints under 'Berger Easy Clean' – the first in the country to do so. Easy Clean paint provided a rich, luxurious finish, and its cross-linking polymers made it easy to clean stubborn stains. The product was a runaway success and caught the attention of paint dealers nationwide. They wanted to partner with Berger Paints.

We had a solution for exterior walls as well. Our exclusive 'Dust Guard' technology ensured that dust did not settle on surfaces. This pioneering feature not only enhanced the aesthetic appeal of exterior walls but also simplified maintenance.

We entered the allied products business and drove innovation there as well. We are the first to launch premium waterproof putty, a quality white cement-based putty that is damp proof and has some unique properties. This ready-to-use, inimitable variety of powder putty can be used externally or internally on concrete/mortar substrates to provide a smooth aesthetic finish and extend the life of top coat paints.

## Marketing revolution

Our marketing strategy backed our product innovation. An intensive promotional campaign helped make our decorative products a household name. Among these campaigns was our successful, original television commercial – *'Sapno ke rang, bane sang sang'*. The success of these campaigns established Berger Paints among the leading brands in India, with a cross-country presence.

## Pioneering Express painting

Back then, Indians faced challenges such as time-consuming processes, labour-intensive tasks, and the need for specific skills to achieve professional results. Traditional methods often led to dust and mess, disruption to daily life, and concerns about paint wastage and longevity. We were the first in the industry to introduce the concept of 'painting as a service' at the customer's convenience through our Express Painting offering. The service remains a premier at-home service, extending hassle-free solutions to our customers.

The service provides a professional finish to homes and generates employment for our trained painters, thus making it a win-win for both painters and consumers. In Express Painting, we paint interiors and exteriors, undertake waterproofing, and create specialised wood coating and wall textures.

**A few of our innovative and best products**




### Did you know?

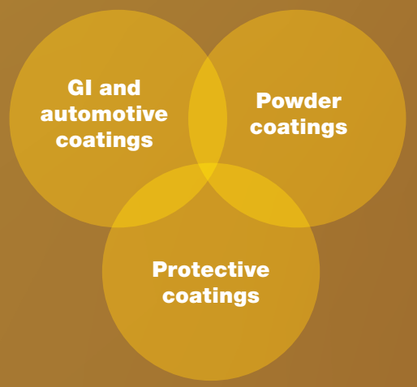
Berger Paints is the first company in the country to introduce moisture meters for measuring dampness on walls. These meters provide machine readings based on which we recommend data-backed suitable solutions to our customers, ensuring peace of mind.

## The story of Berger Paints

# The oldest is also the strongest

We are the oldest paint company in India in the industrial coatings market, setting standards with our innovative products. From General Industrial (GI) and automotive coatings to powder coatings and protective coatings, we have been pioneers in the segment and continue to dominate the protective coatings sector.

**Industrial Paints category**




## Ramping up our innovation strength

Products in this segment are exposed to extreme conditions and must be durable. Our R&D team works with industrial customers to understand their needs and create tailor-made products. The team has been constantly improving the raw material mix, using innovative materials such as nanomolecules, and developing in-house capability to create durable, environment-friendly products that require less application. Our innovative products and solutions include pipe coatings, road markings, clean room coatings, can and drum coatings, anti-fouling, and anti-dust powder coating for fans – these have helped Berger Paints gain the trust of its industrial customers over the decades.

One such innovative product in this segment is the **monocoat system**, which allows fabricators to complete the painting in a single day instead of the usual three to four days. This system protects surfaces against corrosion and gives a superior finish. We have also pioneered world-class products at competitive rates, such as the **passive fire protection paint sprays** manufactured at our Puducherry plant and certified by Underwriters Laboratories.

## Commitment to quality

Our Company has products that have stood the test of time. Among them are our synthetic enamel paints, which we have continued to manufacture since inception, showcasing our commitment to quality. We also transformed the industrial segment with our high-build coating, which exemplifies our technology expertise.

## Collaborations for success

During our journey, we have partnered with global giants such as Valspar Corporation (US) and Orica (Australia) to strengthen our market leadership.

Furthermore, we work closely with consultants and architects to keep abreast of the latest technological advancements and to understand and address business needs. We offer industries free corrosion audits and surveys, providing tailored solutions to combat plant corrosion. Our team handles the entire process responsibly, from coating system recommendations to installation and inspection.

## What we protect

### Railway coaches

2,700+ coaches upgraded with Epoxy-PU systems

### Pamban Bridge

Thirty years ago, Berger was the first paint company to embrace CECRI technology to protect concrete bridge against very harsh corrosive atmosphere.

### Vande Bharat Express trains

2,400+ bogies were painted to endure corrosion and wear-and-tear

### Wind Mill Towers

First in India to supply protective coatings to tubular towers for long term durability, started with AMTL Tamil Nadu

### Power plants of Nuclear Power Corporation of India Limited

Upgraded the concrete and steel membranes of containment areas with Radiation VLS instant paints as per PPN specification

### Chenab Rail Bridge

Paints used in the world's highest railway bridge at 359 metres above the river

### Nagpur Metro

Metro Rail Infrastructure, be it steel structures used in stations or the concrete piers/ spans, Berger has supplied coating paints to withstand extreme temperatures. Nagpur Metro is one among our success stories (starting from Delhi Metro and to all metro projects)

### Bogibeel Bridge

Paint applied for India's longest rail-cum road bridge situated on the Brahmaputra in Assam

**Did you know?**

Berger Protecton worked with the Integral Coach Factory (ICF), from 2002-04, being the change innovator that introduced the Epoxy PU coating systems to replace the age-old synthetic enamel paints.

# The story of Berger Paints

## Covering a few key projects of Berger Paints



**Pamban Bridge**



**The Chenab Rail Bridge**



**Vidhan Sabha, Jharkhand**



**AIIMS, Jammu**



**Bharat Mandapam, New Delhi**




**Vande Bharat Express**



**IIM, Nagpur**



**Dr. B. R. Ambedkar Hall, IIT Kharagpur**

## The story of Berger Paints

# Expanding our manufacturing footprint

We began our journey with our first manufacturing unit in Howrah, Kolkata. As we expanded our product portfolio and reached newer markets, we continued to invest in newer capacities across the country to serve the growing demand for our products. Today, Berger Paints boasts of operating 15 manufacturing units across India (29 including its subsidiaries worldwide).

We witnessed capacity expansion across all phases of innovation. Our joint ventures and collaboration with international partners have further helped us expand our production and distribution networks. Our strategic expansion ensures that our product reaches every corner of the country, fortifying our overall presence and enabling us to meet the growing demand for our products while maintaining and improving quality.

## Scaling operations for enhanced production

### Sandila plant

Our Sandila plant at Uttar Pradesh commenced commercial production on February 6th, 2023. Spread across 37 acres, this is our largest manufacturing facility in India, aimed at boosting our profit margins in the long run. The state-of-the-art, automated plant will help us lower production costs while maintaining quality and consistency in the manufacturing process. The plant can produce a wide array of products – from water-based and solvent-based paints to construction chemicals and emulsions – under the same roof.

The plant has also created direct and indirect employment opportunities in the area. The colourant and stainer sections of the factory are fully managed and operated by female employees. The plant has also impacted the area's overall development, laying new roads to improve the transportation system. Through our initiatives in education, health, and other focus areas, we are also creating new opportunities and enhancing the quality of life in the area.

**Monthly capacity at the Sandila plant**

**15,000 KL/MT**
Water-based paints

**4,800 KL**
Solvent-based paints

**7,000 MT**
Putties

**6,000 MT**
Construction chemicals

**2,000 MT**
Resins

**6,000 MT**
Emulsions

### Hindupur and Jejuri plants

We have strengthened our Hindupur plant near Bengaluru, enhancing its independent storage and retrieval system. We have also upgraded the automation in our Jejuri plant near Pune, which has also undergone capacity expansion. Some of the measures in Jejuri include induction of Human Machine Interface (HMI) for shop floor activities, IoT (Internet of Things) applications for quality and productivity improvement, and cloud-based software for continuously monitoring plant operations. Additionally, we installed a state-of-the-art auto-GI and protective coatings manufacturing setup with HMI automation during lockdown.

### Rishra and Vallabh Vidyanagar plants

Expansion has also been undertaken in plants in Rishra and Beepee Coatings plant at Gujarat, a subsidiary, to reduce dependence on external vendors for intermediate binder procurement for polymeric emulsion manufacturing. This has improved production planning, enabled just-in-time delivery and ensured operational efficiency and cost-effectiveness.

**Did you know?**

Our Howrah plant is India's oldest active paint manufacturing facility, producing some of the most advanced and globally available high-tech products. It stands as a testament to our commitment to build on the rich legacy that dates back to over a century.

## The story of Berger Paints

# People-powered progress

We owe a large part of our success to our ability to create a distinctive, people-first culture. We have a low attrition rate, an industry-beating retention rate, and an open, empathetic, and inclusive workplace, which continues to inspire our colleagues to learn, collaborate, innovate, and contribute meaningfully to the organisation's growth.

Berger Paints started small, but our Company became a market leader through strategic innovation. When the current management took charge, empowered teams and innovation were critical to driving growth. We, at Berger Paints, value our employees deeply. Our unique open-door policy and bottom-up approach boost accessibility and transparency, creating an enduring emotional bond between our employees and the organisation. We adopted the '24-48-degree' formula, emphasising interaction and information flow. Top executives worked with teams on the ground to ensure effective execution. This distinctive approach has resulted in significant growth in recent years, and our team members have experienced seamless career progression, leading to an average tenure of 15+ years for most senior leaders.



## Fostering diversity and inclusivity

We have been working towards making our organisation more inclusive and gender-positive. For example, the wood coating unit of our Jejuri plant, is managed by an all-women workforce.

We have empowered women from the villages around our factories, many of whom have turned first-generation workers at our plants. They have overcome their apprehension about working in manufacturing units, which have always been a male-dominated sphere.

"In a world where workplace politics often hinder progress and stifle creativity, Berger Paints is a breath of fresh air. Here, we are not just colleagues – we are a family united by a shared purpose and a shared set of values. Here, we are encouraged to think outside the box, challenge the status quo, and push the boundaries of what is possible without any fear of failure. If you are willing to put in the effort and demonstrate your abilities, the sky is the limit when it comes to career growth at Berger Paints. As I reflect on my journey of 18 years at Berger Paints, I am filled with gratitude for the countless opportunities I have been afforded to learn, grow, and evolve personally and professionally."

**Seju K Eapen**
General Manager, Retail Sales

"Growing an organisation requires two things from a team; passion and capability. Passion comes from a sense of ownership of an assignment, and capability comes from the correct opportunity with the able guidance and the independence of practising it at work. Berger Paints seeks to run by the same principles every single day. This way of life has been embedded into Berger's family, forming an age-old culture that defines the brand. I have been very fortunate to be part of this family, where team spirit and relationship are the catalysts for high performance."

**Suman Bandyopadhyay**
General Manager, Prolinks

"The Company's culture promotes an openness to new ideas, enabling personal and professional development through the valuable lessons learned from mistakes. The inclusive atmosphere encourages taking risks, shaping a positive and dynamic setting. Berger, for me, is more than just a workplace; it's a professional home that inspires and supports, especially during tough times."

**Nikita Choudhury**
Assistant Manager-Finance and Accounts

"Berger Paints India Limited isn't just a company; it is more than simply a business ; it is a supportive environment that fosters individual progress. Starting from my first day as an officer trainee, I've been encouraged to dream big and have received backing and motivation from my colleagues. What makes Berger unique is its dedication to employee development, which cultivates a culture that values and celebrates diversity of viewpoints. At Berger, there are countless opportunities for employees who are honest, diligent, and have a positive mindset."

**Koushik Roy**
Area Sales Manager, Protecton

"I am fortunate to start my career in an organisation that has a culture that embraces flexibility, nurtures independence, and promotes diversity of thought. It has helped me both in my professional growth and personal development. I have an outstanding mentor and energetic colleagues and my work has given me the chance to learn from the best of professionals."

**Debarshi Mukherjee**
Assistant Manager, Legal

"My journey at Berger Paints started five and a half years ago when I walked through the doors as a Graduate Engineer Trainee fresh out of college. I felt most welcomed in the open and friendly work environment here. I was inspired by the Company's focus on innovation and excellence inspired, driving me towards continuous improvement and shaping not only my career but also my entire professional identity. Joining Berger isn't just a career move; it's stepping into a family that believes in your potential."

**Ayush Shome**
Executive Corporate TQM

## The story of Berger Paints

# Quest for the next 100 years



As we move forward to the next 100 years, we envision continuing our leadership in India's paint sector, driven by innovation, trust, and excellence. Berger Paints has several plans to deliver the best quality products and services to our customers worldwide.

### Expanding capacity

We are strategically expanding our manufacturing capacity to meet growing demand in key regions. Our Hindupur plant will enhance solvent base production for Southern India. Additionally, we are launching three greenfield projects, including Panagarh in West Bengal and a mega factory in Odisha's Khordha district, aligning with the 'Make in Odisha' initiative. This advanced facility will produce paints, coatings, and construction chemicals, contributing to our increased annual capacity. We will likely build another greenfield facility in Western India to strengthen our market presence further.

### Deepening our market presence

We still have some distance to cover in terms of our dealer network. With India's per capita paint consumption way below the global average, we have enough headroom for growth.

### Strengthening our ESG commitments

At Berger Paints, we upheld ESG principles before they became a mandate. We were among the early players to introduce lead-free and water-based paints, and renewable energy. Our community development interventions started decades ago, helping us drive prosperity in regions of our operations. Our corporate policies are also in place for decades and are updated regularly.

**2x**

Envisaged revenue growth over the next five years

## The story of Berger Paints

# A decade-by-decade journey to success



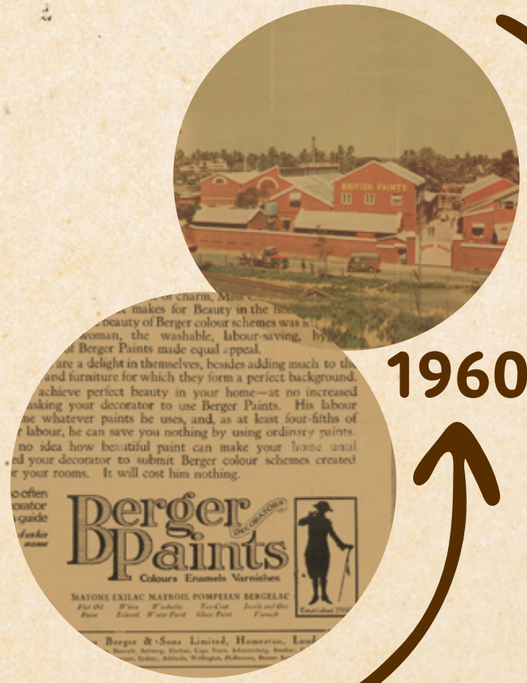

### 1920s-1930s

- **George Hadfield set up a small paint manufacturing company, Hadfields (India) Limited in 1923 in Calcutta.**



### 1940s-1950s

- **British Paints (Holdings) Limited bought over Hadfields (India) Limited and changed its name to British Paints (India) Limited in 1947.**
- British Paints (India) Limited shifted its office to 32 Chowringhee Road in Calcutta in **1952**.
- British Paints (India) Limited introduced synthetic paints in **1959**.




### 1960s-1970s

- British Paints (Holdings), UK was acquired by Celanese Corporation, USA.
- In **1969,** Berger, Jenson & Nicholson, UK acquired British Paints and thus our Company became a member of the Berger Group.
- British Paints (India) Limited introduced new-generation products in the industrial, marine, and decorative segments under the leadership of first Indian Managing Director Mr. Dongargaokar Madhukar in **1973.**
- Vittal Mallya acquired 48% of the Indian company – British Paints (India) Limited in the early seventies.




## 1980s-1990s

- Mr. Biji K Kurien took over as the Managing Director.
- Beepee Coatings, a wholly owned subsidiary of Berger was established in 1982.
- British Paints (India) Limited, changed its name to Berger Paints India Limited in **1983.**
- Mr. K S Dhingra, Mr. G S Dhingra, and their associates acquired controlling stake of Berger Paints in **1991.**
- Mr. Subir Bose took over as Managing Director of the Company and steered our Company to new heights under a new leadership in **1994**.
- Berger Paints introduced commercially successful Colorbank machines, heralding a new era in the Indian Paint Industry.
- Berger Paints installed a quality management system and attained the ISO 9000 certification in **1996**.
- Berger Paints commissioned the Puducherry factory in **1997**.
- Rajdoot Paints Limited merged with Berger Paints and operated as a separate division. This brought along factories at Goa and Uttar Pradesh and a joint venture with Becker Industrifarg, Sweden called Berger Becker Coatings Private Limited.



## 2000s-2010s

- Jenson & Nicholson, Nepal was acquired as a subsidiary and renamed Berger Jenson & Nicholson (Nepal) Private Limited in **2000.**
- Berger acquired the motors and industrial paint division of ICI India Limited along with a factory at Rishra, West Bengal in **2001**.
- A new factory in Jammu commenced operations in **2003**.
- Berger Paints introduced Home Painting in **2003**.
- Berger Paints Overseas Limited in Russia commenced operations in **2005.**
- Berger Paints tied up with the Nippon Paint Group of Japan to manufacture automotive paints and coatings in **2007** through a joint venture.
- Berger Paints acquired Bolix S.A. of Poland in **2008.**
- Mr. Abhijit Roy took over as Managing Director & CEO in **2012.**
- Berger Paints acquired decorative coatings business of Sherwin-Williams in India in **2013**.
- Berger Paints set up a new facility in Hindupur, Andhra Pradesh in **2014.**
- Launched iTrain programme to educate aspiring painters in **2014**.
- Berger Paints introduced Express Painting in **2015**.
- Berger Paints set up the Naltali and Nalbari plants in Assam in **2017**.
- Berger Paints entered an agreement with Promat International of Belgium for manufacturing and distributing fireproof coatings in **2017**.
- In **2017**, Berger acquired Saboo Coatings Private Limited, now renamed SBL Specialty Coatings Private Limited, with a wide variety of business in specialty coatings.
- Berger Paints collaborated with Rock Paints Company Limited of Japan to set up Berger Rock Paints Private Limited, for automotive refinish paints in **2018.**
- Berger Paints partnered with Hesse Group of Germany to acquire majority shares of Berger Hesse Private Limited in **2019**, dealing with premium wood coatings.
- Berger Paints acquired STP Limited, adding six factories in Gujarat, Uttar Pradesh, Jharkhand, West Bengal, Tamil Nadu, and Goa in **2019.**
- Berger Paints entered an agreement with the Chugoku Group of Japan for manufacturing and selling marine coatings in **2019**.



## 2020s and beyond

- Berger Paints entered an understanding with VIP Coatings Europe GmbH of Germany for the manufacture of various high-performance coatings and polyurea in **2020.**
- Berger Paints commenced production at their new, fully-automated manufacturing unit in Sandila, Uttar Pradesh in **2023.**
- Berger Paints completed 100 years of revolutionising the paint industry in **2023.**

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# About the Report

This Report marks Berger Paints' inaugural Integrated Annual Report, offering insights into our financial and non-financial performance during FY 2023-24. This Report aims to delineate the targets achieved and performance metrics across Berger Paints' strategic initiatives. Additionally, it will provide a comprehensive discussion of the six capitals of the Integrated Reporting (IR) framework.

## Key topics covered

### Value creation model

Ensuring value creation for all stakeholders by effectively utilising our resources is paramount. We strive to harness our capitals to generate valuable outputs efficiently. This approach is ingrained throughout our operations and significantly influences our decision making process.

Read more about our value creation model at page 40

### Statutes, framework, guidelines, and standards

This Report has been prepared in alignment with the <IR> framework as issued by the International Financial Reporting Standards Foundation (IFRS). Furthermore, it adheres to a comprehensive array of statutes, frameworks, guidelines, and standards such as

- Companies Act, 2013 (and the rules established therein)
- Indian Accounting Standards
- Securities and Exchange Board of India Act, 1992 (and the subsequent regulations)
- Secretarial Standards set forth by the Institute of Company Secretaries of India
- National Guidelines on Responsible Business Conduct (NGRBC)

### Reporting scope and boundary

This Report goes beyond financial reporting and encompasses non-financial performance metrics, opportunities, risks, and outcomes linked to our key stakeholders. These factors wield significant influence over our capacity to generate value. All the data presented in this Report pertains to Berger Paints' standalone operations, unless explicitly specified otherwise.

### Report navigation

**Capitals**

- Financial
- Manufactured
- Intellectual
- Human
- Social and relationship
- Natural

**Strategies**

- Focused growth
- Market expansion
- Foster innovation
- Sustainable practices

Read more on page 50

### Stakeholder engagement

We adopt a unique approach and engagement methodology tailored to each stakeholder. Placing our stakeholders at the core of our operations, we prioritise their needs and preferences in our decision making processes.

- Investors
- Customers
- Employees
- Communities
- Suppliers
- Regulatory bodies
- Influencers

Read more on page 44

### Materiality assessment

Our material topics encompass areas significant to our internal and external stakeholders. These topics possess the potential to influence our business operations and impact the relationships we maintain with our stakeholders.

**Environment**

- Air emissions
- Water and wastewater
- Energy
- Waste management
- Material handling
- End-of-life management of product/Life cycle assessment/ Sustainable product portfolio/ Product innovation and stewardship
- Supply chain sustainability
- Environmental compliance

**Social**

- Labour management and relations
- Process safety
- Employee education and training
- Talent acquisition and employee engagement

**Governance**

- Business ethics, compliance and transparency
- Innovation and R&D
- Economic performance

Read more on page 48

### External assurance

Futurestation Advisors LLP has made a Reasonable Assurance on the indicators in the Business Responsibility and Sustainability Core as mandated by Securities and Exchange Board of India. The guidelines under which such assurance was carried out was International Standard of Assurance Engagements 3000 (revised).

## FY 2023-24 highlights

# A year of celebration!

Our centennial year has been full of extraordinary events. We have achieved incredible growth across our financial and non-financial indicators. Concurrently, we enhanced our relationships with stakeholders through targeted initiatives and focused on optimising performance across all operations.

### We performed commendably across our financial indicators

**₹ 11,199 Cr**
Revenue from operations
↑ **6%**

**₹ 1,925 Cr**
EBITDA
↑ **25.1%**

**₹ 1,170 Cr**
Profit after tax (PAT)
↑ **36%**

↑ y-o-y growth

### We prioritised improving relations with our customers

**1,30,000+**
Berger My Colour App users

**11,842**
Customer complaints resolved

**14,552**
Retail touchpoints added

### We focused on coming up with new and exciting products

**43**
New products launched during the year under all lines of business

**94**
R&D personnel

**460+**
Berger Paints exclusive stores opened

### We helped grow the communities around us

**1,24,158**
Painters trained in iTrain through CSR project

**1,53,972**
Number of CSR Programmes (Includes all trainings conducted in iTrains)

**₹ 20.79 Cr**
CSR expenditure
↑ **7.8%**

## Chairman's message

# Sustainable growth through trust and innovation

### Dear Shareholders

It gives me immense pride to write this letter to you as the year marked the most important milestone in our Company's history – completing 100 successful years of existence. Not many companies are able to achieve this outstanding feat. On behalf of the Board, I would like to thank each of our stakeholders for being part of this wonderful journey and helping Berger emerge as the leading player in both the decorative and industrial paints segments.

From the time of its inception in 1923 till the time we assumed the management control of our Company, Berger Paints was mainly dealing with industrial and protective coatings and a few solvent based architectural paints and had some of the best talents in the industry. Our plan of action in the beginning was clear: provide strategic guidance and direction, pump in cash to tide over the immediate shortage as well as infusion of capital from time to time for the next few years, introduce financial discipline such as credit management through computerised billing systems and approval processes for expenses, correct supply chain management processes, reorient the objectives to suit the changing times of liberalisation, inculcate dynamism and ownership among employees, fill in the gap in decorative paints and focus on water based emulsion category, set up new factories and expand the existing facilities, strengthen the R & D structure, introduce unique products, create and effectively market brands and continuously monitor success and compliance.



**Kuldip Singh Dhingra**
Chairman

The transformation thereon has been spectacular as we turned into a multifaceted and chiefly architectural/ decorative paint producing company offering not only products, but solutions to its customers located all over the country. This has been a painstaking process undertaken by all concerned under careful guidance by the Board. When we started the journey, the market was crowded with several players but decades later, we have emerged as the second largest paints company in the country.

### Key milestones

Our journey is marked by pioneering innovations and strategic expansions that have set industry benchmarks. We introduced the first successful colorbank machines, a breakthrough soon emulated by other paint manufacturers. Establishing modern resin manufacturing facilities was another critical step, as resins are key raw materials for solvent-based paints. Our first joint venture with Becker Industriafarg, Sweden, for manufacturing coil coatings, gave us the confidence to undertake more ventures, given Becker's leadership in coil coatings.

We acquired the automotive and industrial paints business from ICI India Limited, along with its factory at Rishra, West Bengal. The merger of Rajdoot Paints with Berger, renamed British Paints after 15 years, allowed us to effectively serve specific market segments. This merger also brought in the pioneering Coil Coating Joint Venture with Becker. Further expanding our footprint, we acquired Berger, Jenson & Nicholson in Nepal and established a successful factory in Jammu, a bold move at the time.

Our acquisition of Bolix SA in Poland, a leader in ETICS, enabled us to conserve energy in cold climates and expand our surface coatings offerings. Bolix exports to over 20 countries and has subsidiaries in the UK, France, and Ukraine. We also acquired the decorative coatings business from Sherwin Williams Paints India, including their plant in Taloja, Navi Mumbai. Achieving self-sufficiency in emulsion manufacturing, a key raw material for water-based paints, has been a notable milestone.

We expanded our reach with a widespread distribution system, setting up warehouses nationwide, and pioneering factories in the North East. Our innovative offerings, such as Express Painting Services, and our successful entry into construction chemicals with our subsidiary STP Limited, have further strengthened our portfolio. Our subsidiary, SBL Coatings Limited, acquired in 2017, enables us to supply innovative and custom specialty coatings. Above all, we've built strong brands like Easy Clean, Anti Dustt, Weathercoat Long Life, and Silk Glamour, cementing our leadership in the industry.

### Building on our strengths

Our greatest strength lies in our honesty and integrity, values deeply cherished by me and my family. Integrity encompasses not just financial integrity, though it remains paramount, but also integrity in all operations, including conduct. For instance, if we claim a paint has washability, it must be demonstrable. The second strength is the loyalty of my colleagues. Since

> "Our journey is marked by pioneering innovations and strategic expansions that have set industry benchmarks. We introduced the first successful colorbank machines, a breakthrough soon emulated by other paint manufacturers. Establishing modern resin manufacturing facilities was another critical step, as resins are key raw materials for solvent-based paints."

taking over, we have retained the same management and staff, without even relocating offices, unlike many others. This consistent team has driven all changes over the years in the same work environment. We have applied this principle to all our inorganic acquisitions, consistently achieving encouraging results.

The third strength is Berger's adaptability. Berger has transitioned from a solvent-based paint manufacturer to primarily a water-based paint producer, with the capability to manufacture every kind of paint. This ongoing transformation aims to turn us into a platform offering coating and construction chemical solutions, continuously engaging with customers. Lastly, Berger's experimental culture fosters innovation in new products and services and creates a family-like atmosphere that aids in retaining key personnel.

# Chairman's message



## Leveraging lasting partnerships

Every strategic partnership must be symbiotic to succeed. Our alliances have been mutually beneficial and enduring. We continuously learn from partners like Becker (Sweden), Nippon (Japan), Rock Paints (Japan), Hesse (Germany), Chugoku Marine Paints (Japan), and VIP Coatings International (Germany). These collaborations have enriched us with expertise in automotive, wood, marine, and protective coatings, ensuring our sustained growth and innovation.

## Moving towards the next

We are excited to announce the establishment of two new paint factories in West Bengal and Odisha. Our focus remains on reaching out to customers—retailers, distributors, contractors, painters, architects, and industries—making it easier for them to understand and appreciate our offerings while streamlining the transaction process.

As conscientious citizens, we are acutely aware of issues like global warming and environmental degradation. To address these, we are deploying resources to ensure sustainability. Our initiatives include zero liquid discharge, energy conservation, the use of alternative energy sources, water conservation at all our plants, and creating a roadmap for water neutrality. These widely practised methods are central to our sustainability efforts. Additionally, we are promoting products like Roof Kool & Seal, a fiber-reinforced, liquid-applied, elastomeric waterproofing membrane impregnated with nano-fiber, designed for dual effects of waterproofing and heat reduction. Further research in these areas is ongoing. Our subsidiary in Poland, Bolix, specialises in insulation systems across Europe, which save at least 35% in heating costs for buildings.

> "As conscientious citizens, we are acutely aware of issues like global warming and environmental degradation. To address these, we are deploying resources to ensure sustainability. Our initiatives include zero liquid discharge, energy conservation, the use of alternative energy sources, water conservation at all our plants, and creating a roadmap for water neutrality."

Our primary CSR activity focuses on training painters to enhance their skills, ensuring a minimum quality of painting services, reducing the time and cost of painting, improving painters' earning abilities, and providing them with the knowledge to elevate their status to contractors. We are committed to continuing our CSR efforts in this direction, investing our resources to support the development and professional growth of painters.

Our plans for expansion, commitment to sustainability, and dedication to community development through painter training reflect our holistic approach to growth and responsible business practices.

## Goals for the future

The strategic vision of our Company is to be the most innovative and competent paints, coatings, and construction chemicals company in the country, trusted by all stakeholders. Achieving this involves various measures, including enhancing capacities, streamlining the supply chain, maintaining strong fundamentals, experimenting to create new opportunities, and scaling successful ventures. A key strategy will be enhancing digital capabilities in business intelligence, customer relationship management, supply chain management, machine learning, and AI. However, a fundamentally strong base in production, procurement, sales, and R&D, supported by durable service functions, is essential to benefit from digital advancements. These areas will continue to be our priorities.

I believe we will continue painting a brighter future for our stakeholders as we move forward.

Best wishes,

**Kuldip Singh Dhingra**
Chairman

## MD and CEO's message

# Heritage of quality



**Abhijit Roy**
Managing Director & CEO

> "Berger Paints has always adhered to the principle of producing the best quality products without compromise. This commitment to excellence has been the cornerstone of our success over the past 100 years."

### Dear stakeholders,

I write this letter to you with profound excitement as we celebrate 100 years of existence in India. From our humble beginnings a century ago with a single manufacturing unit in West Bengal and the 6th largest in India, we have grown exponentially to encompass 29 manufacturing units (including subsidiaries) across the country to become the 2nd largest Paint Company in India, 4th largest in Asia and 15th largest in the world. This pervasive growth has been driven by the constant demand for our diverse product mix and the unwavering trust that consumers have in our brand.

The past century has witnessed many significant events – from India's freedom struggle against the British, to attaining independence in 1947, to the liberalisation of the economy and facing a major global health crisis. Despite these challenges, we have navigated through them all and continue to shine brightly.

We understand that superiority in quality is what makes a company a market leader. Berger Paints has always adhered to the principle of producing the best quality products without compromise. This commitment to excellence has been the cornerstone of our success over the past 100 years.

We sustain such high levels of quality through constant benchmarking against competitors and rigorous analysis to understand where we stand at any given time. To increase market penetration, it is crucial to offer superior quality at a competitive price. Berger Paints' strategy involves creating more value for consumers by continuously adding features and improving quality. This relentless pursuit of excellence has propelled Berger Paints to emerge as the second-largest paint Company in India, in a market cluttered with multinational giants.

This remarkable success is a testament to our team's dedication and ingenuity. Our achievements are entirely self-generated, highlighting our ability to innovate and thrive independently. This journey has been significantly supported by our senior members, many of whom have dedicated decades to our Company. Their commitment and experience have fostered stability and trust, vital elements in our continued growth.

Building trust among stakeholders – employees, dealers, and painters – has been central to Berger Paints' philosophy. By nurturing an emotional bond rather than a mere transactional relationship, we create a supportive and innovative environment. This atmosphere encourages everyone to think creatively, experiment and learn from failures, thereby fostering motivation and a deep sense of purpose in their work. Our collective efforts ensure Berger Paints' enduring success and strong reputation.

**₹ 11,199 Cr**
Revenue in FY 2023-24

**₹ 1,170 Cr**
PAT in FY 2023-24

### A culture of enduring relationship

Our ability to build long-term relationships with our stakeholders has also been a reason for our sustained growth. Our culture of accessibility, open communication, balanced work-life, and strong partnerships have been instrumental in driving and maintaining our esteemed position in the industry. Our strong cultural foundation has facilitated successful joint ventures. The enduring partnership with Becker Coatings, which led to the establishment of plants in Goa and Nagpur, is a testament to Berger Paints' collaborative spirit. Similarly, the joint venture with Nippon Paints has weathered difficult times, reflecting Berger Paints' commitment to fair dealings and mutual support. We prioritise long-term relationships with smaller partners even during challenges, demonstrating our dedication to partnership and trust.

### Looking back at our performance in FY 2023-24

I am pleased to state that driven by our focus on product innovation, network expansion, marketing initiatives and manufacturing excellence we have been able to outperform the industry. Our consolidated revenue for the year witnessed an increase of around 6%, from ₹ 10,567 Crores in FY 2022-23 to ₹ 11,199 Crores in FY 2023-24. Our EBIDTA for the year reported an impressive growth of 25%, from ₹ 1,538 Crores in FY 2022-23 to ₹ 1,925 Crores in FY 2023-24. Raw material prices saw a decline, which helped us pass on the benefit to our customers. However, on the profitability front, we saw 181 bps increase in PAT margin during the year under review.

In the decorative business, the past year saw remarkable volume growth and resilience despite inflationary pressure and an extended monsoon. While the economy segment's strong traction impacted value growth, the construction chemicals and waterproofing business performed exceptionally well. Our aggressive network expansion continued, adding around 14,552 retail touchpoints and installing around 7,848 Colorbank machines. We took innovative steps towards influencer outreach, strengthening the positioning of our brand further. These efforts underscore our commitment to enhancing market presence and customer engagement, driving the success of our decorative business.

While our existing brands in the decorative segment continued to post

# MD and CEO's message

strong performance, during the year under review, we launched several new products.

Roof Cool and Seal, a product designed to cool and seal roofs, experienced fantastic growth. PU Elasto Shield, a solvent-based PU product, is another innovative offering for larger surfaces, primarily in industrial areas, and is performing well. Additionally, we launched Easy Clean Silky Touch, an enhanced variant of our popular Easy Clean product. It offers a superior finish while retaining its easy-clean properties, and it has successfully upgraded a portion of Easy Clean's market volume to this new variant.

In the industrial segment, our Protective Coating business maintained its dominance in the market, achieving consistent growth and enhancements in profitability. We undertook several noteworthy projects, such as the Bharat Mandapam in Delhi and the Mumbai Coastal Bridge. Additionally, our involvement in key ventures like Vande Bharat and projects at the Rajasthan Refinery and Lucknow Adani Airport underscores our leadership position and continued advantage in the infrastructure landscape. The Automotive and General Industrial sectors displayed improved performance, spurred by a rise in demand for two-wheelers. Our joint venture, Berger Nippon Paint Automotive Coatings Private Limited, excelled particularly in the passenger car and SUV segments. Furthermore, our Powder Coatings business witnessed an upturn from the previous year, marked by significant profitability gains.

We continued our journey towards augmenting our capacities. Our upcoming greenfield capacity at Panagarh, West Bengal is progressing well. We are in the process of receiving all necessary approvals and the construction activity has started. We expect commissioning by end 2025.

We implemented numerous digital initiatives during the year, which are expected to yield positive results in the coming year. We introduced salesforce for painters. Our Warehouse Management System helped enhance stock management. The My Colour app, featuring AI, has been well received, and we plan to advertise it digitally. Additionally, Express Painting continues to perform very well, with reach and scale improving substantially during the year. Our E-Auction for raw materials has also saved us considerable costs.

## Leading with sustainability

At Berger Paints, we are deeply committed to sustainability, implementing eco-friendly practices across its operations. We prioritise non-toxic, low-VOC paints and have invested in energy-efficient manufacturing processes. Our waste management initiatives focus on reducing, reusing, and recycling materials. Additionally, we actively promote use of green building projects and sustainable products in construction. Our other notable initiatives include Streeshakti, WOW, Project JAL, Safety First, Urja Shakti among others. Reinforcing our commitment to reducing carbon footprint, we have introduced e-vehicles for last-mile delivery across our depots. These efforts not only reduce our environmental footprint but also align with our vision of creating a greener, healthier future for all.

> "In the industrial segment, our Protective Coating business maintained its dominance in the market, achieving consistent growth and enhancements in profitability. We undertook several noteworthy projects, such as the Bharat Mandapam in Delhi and the Mumbai Coastal Bridge"

## Prepared for the next 100

We could not be in a better place than in India today. The country has entered a multi-decade growth cycle driven by a young population, increasing per capita income, a strengthening manufacturing sector, a growing automobile segment, and focused government investment in infrastructure creation. Our products are used across various segments – from the interiors and exteriors of real estate properties to automobiles, consumer appliances, and machinery, as well as landmark infrastructure projects. With the Indian economy set for strong growth in the coming years, we anticipate a sustainable increase in demand for paints. While the industry is seeing new entrants, Berger Paints remains confident about its performance, vigilant about industrial dynamics and focuses on creating value for consumers through innovation, quality, and better value propositions.

I take this opportunity to thank our Board members for their continued guidance, our stakeholders for their trust and confidence in our strategy, and our employees for their grit and determination in driving our Company along a continuous growth path. The next 100 years are exciting, and we are confident of sustained value creation.

Regards,

**Abhijit Roy**
Managing Director & CEO

## Few remarkable achievements over the years...




Berger Paints India Limited was recognised as Fastest Growing Paint Company in the 18th Construction World Annual Awards in 2020




1) Forbes- India's Super 50 Companies | 2) Brandz top 50 | 3) ET Bengal Corporate Awards - The Best Entity in the Area of New Product/Process Development 4) Featured in Coatings world top companies report in global ranking of the top manufacturers of paints, coatings and others







Berger Paints won Deloitte India's Best Managed Companies 2021 Award




Our consistent performance and sustainable business growth was recognised with Top 100 Wealth Creators of 2021 award by Fortune India



Distinguished Alumni Award 2023 by the prestigious IIM BANGALORE in their 50th Anniversary year




1. #53 Most Valuable Indian Brand as per Kantar Brandz 2023
2. Times Best Indian Paint Company as per Times Business Awards Kolkata 2020
3. The Economic Times recognises Berger Paints for trailblazing iconcity (The Economic Times Iconic Brands of India 2021)
4. Construction Times Award 2017-Contribution to Construction Industry, Innovative Product of the Year-Paints and Coatings Category
5. Best Innovation in Paints and Coatings Award of the Year-Waterproof Putty

**Corporate portrait**

# Our current canvas

As a leading paint manufacturer in India, we have played a significant role in painting homes, fulfilling dreams, and spreading joy throughout the past century. Innovation remains at the core of Berger Paints, driving us to brilliance, and ensuring a long-lasting impact on the lives of our patrons. We take immense pride in continuing to shape the industry as one of the global leaders, setting new standards and upholding our legacy of trust, quality, reliability, and customer satisfaction.

## Philosophy

At Berger, we believe in driving growth through innovation.

## Vision

To emerge as the most esteemed Indian company specializing in paint and coating solutions, globally acknowledged for its exceptional competencies

## Mission

To maximise shareholder value through the continuous development and delivery of innovative, top-tier solutions for our customers, consistently surpassing industry benchmarks, and fostering a dynamic and challenging work environment for our employees.

## What sets us apart

### Presence

Our strong Pan-India distribution network consists of retailers with ~64,000 touchpoints. Our strategically located manufacturing facilities cater to the demand in all the major regions. Our company-owned-company-operated (COCO) stores across the country helps increase sales.

### Innovation led

Our strong R&D team helps us understand client needs and help us introduce pioneering products in the country. The team has developed some ground breaking products in the industrial segments that protect various key infrastructure projects in the country.

### Diversified portfolio

We have a portfolio of innovative decorative paint products across price points and segments, helping meet demands of diverse customer base. Our tailor-made solutions in the industrial segments help us emerge as a preferred supplier for our customers.

### Value added services and products

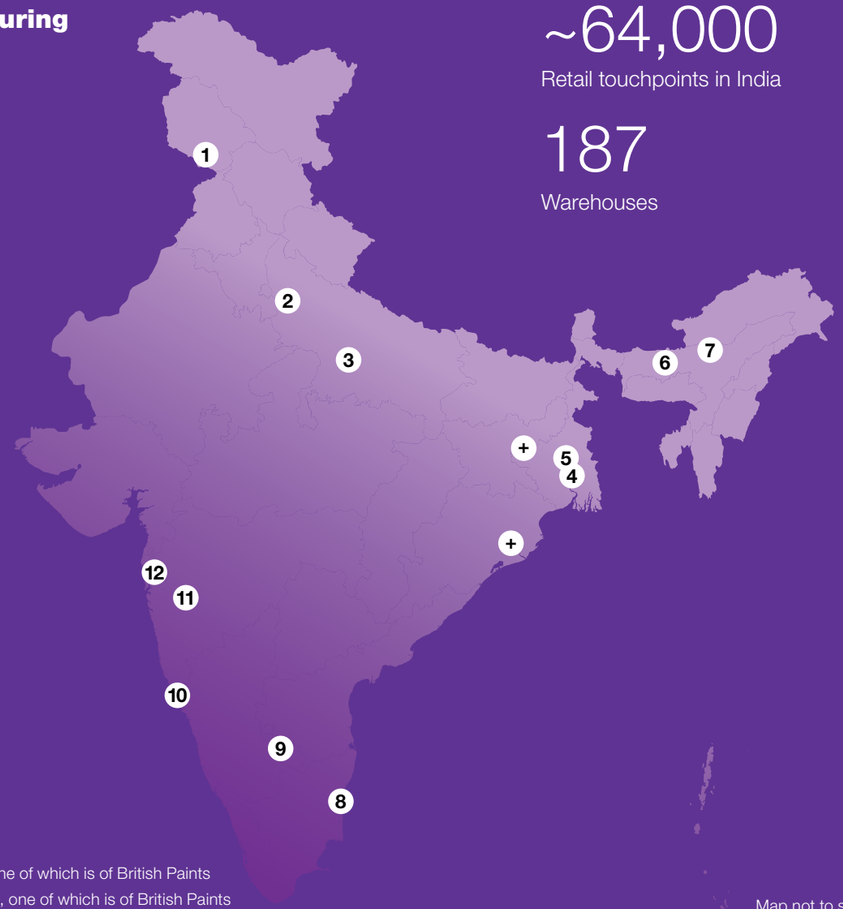
Our pioneering express painting service has made house painting convenient, gaining strong traction. Further, our foray into allied segments with value added proposition helped us gain significant revenues.



# Domestic presence

**Our manufacturing sites**

1. Jammu*
2. Sikandrabad
3. Sandila
4. Howrah
5. Rishra
6. Nalbari
7. Naltali
8. Puducherry
9. Hindupur**
10. Goa
11. Jejuri
12. Taloja




~64,000
Retail touchpoints in India

187
Warehouses

*Jammu has 3 factories, one of which is of British Paints

**Hindupur has 2 factories, one of which is of British Paints

+ Upcoming state-of-the-art manufacturing units at Panagarh, West Bengal and Khordha, Odisha

Map not to scale.

# Our colourful credentials

2nd Largest
Paint company in India

4th Largest
Paint company in Asia

4,445
Permanent employees

15
Paint manufacturing facilities (excluding subsidiaries)

29
Paint manufacturing facilities worldwide (including subsidiaries)

06
Active joint ventures, partnerships and associates

Additionally, there are 14 units of our subsidiaries spread across India, Nepal, Poland and Russia

**Products and offerings**

# Adding colour through our offerings

We have always been at the forefront of innovation throughout our journey. This dyed-in-the-wool dynamism has driven our Company's transformative success, enabling us to carve a niche for ourselves via a diverse, distinctive and dedicated range of products.






## Decorative paints

By embracing the market's ever evolving dynamics and engaging with stakeholders, we build upon our legacy and captivate new generation's imagination. We embed a customer-centric approach at the heart of our operations and have solidified our position as a trusted provider of high-quality decorative paints.

### FY 2023-24 highlights

~80%

Contribution to the revenue mix

### Sub-segments

**Interior painting**

We provide glamorous, durable paints including designer finishes, interior emulsions, and bio-resistant options, ensuring premium results.




Read more on page 18

**Exterior painting**

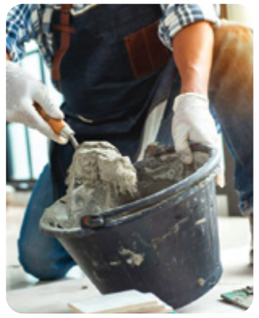
We cater to Indian market needs, offering tailored paints like Weather Coat Anti Dustt Kool for dust resistance and cooling, prioritising quality, trust, and customer satisfaction.




Read more on page 19

**Construction chemicals**

Our innovative waterproofing products with direct application feature revolutionise the process, offering exceptional performance, durability, and trust.



Read more on page 20

**Express painting**

Express Painting revolutionises the industry with innovative techniques, top-quality, and consumer-centric approach, commanding trust and loyalty.



Read more on page 22

## Industrial paints

We specialise in delivering top-tier custom-formulated products tailored for industrial coatings within the country. Our coatings serve numerous purposes, each crafted to meet the unique requirements of industrial applications.

### Sub-segments

**Prolinks**

Berger Prolinks facilitates seamless interaction between paint specifiers and our Company, offering expert-driven solutions for various challenges.

Read more on page 24

**Protecton**

Berger Protecton offers tailored coating solutions for various industries, ensuring top-notch performance and making it a top choice.




Read more on page 26

**Automotive-General Industrial Coatings**

Transitioned to mono-coat systems, adopted eco-friendly baking, offering diverse metallic and non-metallic shades, distinguishing our brand.



Read more on page 32

**Powder Coatings**

Our advanced powder coatings cater to diverse industries with bonded metallic, durable polyester, and heat-resistant options, ensuring quality.



Read more on page 33

## Business segments – Decorative paints

# Revamping décor with style

## Interior painting

### Overview

We offer a glamorous and elegant look with a long-lasting finish through our extensive paint line, which includes designer finishes, interior emulsions, distempers, and ceiling paint. Furthermore, our high-end interior emulsion paints give walls a premium and rich appearance by combining bright colours, 100% acrylic emulsions, and bio-resistant ingredients that prevent fungus and algae growth.

### Key products

**Designer finishes**




Silk GlamArt Metallica




Silk GlamArt Non Metallic

**Interior emulsion**




Silk Glamor




Easy Clean




Bison Glow




Easy Clean Fresh




Rangoli Total Care




Bison Emulsion

**Wood coatings**

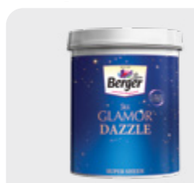



Imperia Polyester

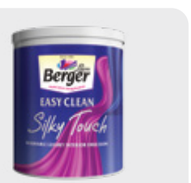



Imperia Luxury Polyurethane

**New products launched**




Silk Glamor Dazzle




Easy Clean Silky Touch



## Exterior painting

### Overview

We recognise the diverse needs of the Indian market and tailor our products, accordingly, considering factors like geographical variations and environmental challenges such as dust and urban heat. For instance, our Weather Coat Anti Dustt Kool paint not only resists dust buildup but also cools surfaces, promoting energy efficiency. We prioritise value for money by utilising high-quality materials and advanced technologies to ensure our exterior paints meet rigorous quality standards, addressing concerns like protection from rain, heat, and algae growth.




### Key products

**Designer finishes**




Florentina




Solitaire

**Exterior emulsion**




Weathercoat Long life 15




Weathercoat Long life Flexo




Weathercoat Glow




Weathercoat Long life 10




Weathercoat Antidustt




Walmasta Glow




Ruff N' Tuff




Walmasta

**Cement paint**




Durocem Extra

**New products launched**




Weathercoat Anti Dustt Kool

## Business segments – Decorative paints

# Construction chemicals

### Overview

We have launched innovative products, revolutionising waterproofing with its direct application feature, eliminating the need for plaster removal and saving time. Its exceptional performance and durability against negative pressure contribute to its effectiveness. Our growth in both divisions, construction chemicals stems from the trust we have garnered through consistent delivery and quality commitment, fostering enduring relationships with customers, applicators and stakeholders.

### Key products

#### Wall waterproofing and wall treatment



Dampstop



Waterproof Putty



Illusion Sealer



Power Plasticizer



Seal-O-Prime



Damastop Duo



Latex Plus



Crack Fill Paste


Latex Shield 2K



Tankshield PW


Our team has introduced **India's only scientific damp detection instrument** which detects the extent of damps and enables us to provide data-backed solutions that safeguard walls.

Berger Homeshield Moisture meter

#### Roof waterproofing and treatment



PU Roofkoat



Roofguard



Dampstop Elasto



ProShield P/H/F






#### Tile fixing solutions



Tile Bond Hi-Flex



Tile Adhesive Plus



Tile Grout


Tile Cleaner

#### New products launched


Rising Dampstop



Roof Kool & Seal


Jointseal Master_AS


Jointseal Super_GP and NU



Jointseal Super_NU



Epoxy Tile Grout 2P



Epoxy Tile Grout 3P



Tile Bond Wonder-Flex

## Business segments – Decorative paints

# Express painting

## Overview

Express Painting has revolutionised the painting industry through its innovative techniques, top-notch quality, and customer-centric approach. The trust and loyalty it commands from consumers highlights its excellence and reliability. With time-saving methods, superior quality, and a commitment to continuous innovation, Express Painting has emerged as the preferred choice for consumers seeking hassle-free painting experiences. Introduced by us in 2015, it offers at-home consultancy, trained painter workforce using efficient mechanised tools, site supervision, and a 365-day Help Desk, setting a new standard in consumer painting services.

## We offer

### Interior painting

We offer complete interior home painting services, using high-quality paints and skilled interior house painters to ensure expert execution.



### Exterior painting

We offer trained painters and a wide range of paints for exterior home painting services, ensuring the best results for any type of property.



### Wall textures

Whether our customers want a high-gloss finish for an elegant living room or a matte finish for a modern master bedroom, we have the perfect texture to suit their space.



### Waterproofing

We offer the best wall seepage and dampness solutions in the industry, with a team of experts and technicians capable of handling any issues with your home's foundation, floors, walls, or ceiling.



### Wood coatings

We offer wood coatings in the perfect shade, finish, and texture for furniture and wooden doors and windows, adding class and style to your home.





## What makes Express Painting unique

### Safety certified painters

We ensure that our customers receive painters who prioritise safety above all else.



### Automated tools

We utilise advanced tools to guarantee faster, safer, and cleaner results.



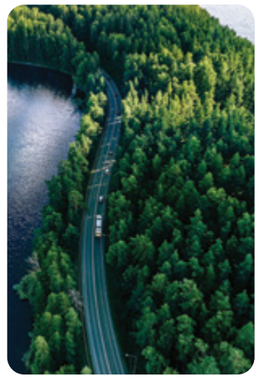
### Furniture and floor covering

We protect our customers' valuables by covering them against dust, paint spills, and damage.



### Health-friendly products

We use low VOC and safe products to ensure a healthy home and environment.



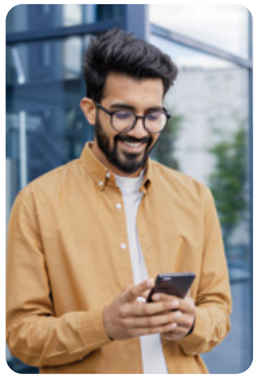
### Trained professionals

Our painters are qualified to deliver professional and exceptional results.



### Accurate quotation

We utilise the Berger paint calculator to accurately determine the cost of painting a house.



### Colour consultation

We offer expert advice on colour combinations and provide customers with the opportunity to virtually try them out on their walls using a colour picker tool.



### Painting site sanitisation

We conduct thorough disinfection of the painting site and frequently touched surfaces once the process is completed.



## Business segments – Decorative paints

# Prolinks

### Overview

Prolinks, our project sales division, thrives in India's booming infrastructure, real estate, and industrial sectors. We recently expanded our offerings with construction chemicals and waterproofing products under the Homeshield brand, supported by a specialised task force to enhance service delivery in this critical segment. With a resurgence in maintenance activities for buildings from the past real estate boom, there is a growing demand for painting and waterproofing services, positioning Prolinks advantageously. Recognising the potential in smaller urban projects, a dedicated team targets these opportunities effectively. With these moves and favourable market conditions, Prolinks anticipates substantial growth, poised to significantly contribute to our Company's overall expansion.

### Key projects undertaken

**Indian Military Academy, Dehradun**



**Medical College, Almora**



**International Airport, Lucknow**



**Highland Park, Kolkata**



**TATA Avenida, Kolkata**



**Indian School of Mines, Dhanbad**



**IIM, Visakhapatnam**



**Indian Coast Guard, Rushikonda-Vizag**



**Srinivasa Sethu Flyover Project, Tirupati**



**Auro Reality-Kohinoor, Hyderabad**



**BPCL Township, Kochi**



**Brigade – Xanadu, Chennai**



**The Atmosphere – By Wadhwa, Mumbai**



**Birla Institute of Technology and School of Management, Mumbai**



**IIM, Amritsar**



## Business segments – Industrial paints

# Customising sector-specific solutions

## Protecton

### Overview

**As a LEADER in the Indian market**, we offer a wide range of coating solutions tailored to various industry segments, including oil refineries, power plants, railway coaches, bridges, and durable floor coatings. Each application presents unique complexities that require bespoke formulations to meet specific performance requirements. Our expertise in crafting these customised solutions ensures top-notch performance, making Berger Protecton the top choice in India. Our efforts revolve around three core principles - Revive, Strive and Thrive which signify Protecton's journey towards transformation and have resulted in a growth of 15% CAGR.

**Strategy**

Our strategy fosters innovation, allowing us to develop solutions that meet and exceed customer expectations, addressing key issues essential for growth.

- Problem solving approach
- Quick service offerings and response
- Availability of wide range of high-performance coatings

### Innovating with Protecton

At Berger Paints, innovation never stops. We always come up with new and innovative solutions to ensure that our customers yield the best of results. Be it through the introduction of breakthrough technologies or through undertaking projects that dive the growth of the nation, we strive to be the best in what we do.



Read more about our Fluorothane glossy finish on page 75



Read more about our Fluoro Polymer Coatings on page 75



Read more about how we contribute to India's rapid infrastructural growth on page 75

## Key Projects

### Major infrastructure projects



**IICC – Yashobhoomi**

We worked with a reputable conglomerate on the largest convention and exhibition centre in India.



**New Pamban Bridge, Rameswaram**

India's first vertical lift railway sea bridge in the most corrosive location in the entire coast of India has been supplied with a special epoxy primer for the zinc metallised steel structures, which are top-coated with Fluoro Polymer, covering 4,700 MT of steel used in the bridge.



**Chenab Rail Bridge**

Suspended 359 metres above the riverbed, the Chenab River Bridge in Jammu and Kashmir's Reasi district is celebrated as the world's highest steel arch rail bridge. Through Protecton, we have contributed to its inception and durability through the usage of Fluoro Polymer-based coatings.



**Mumbai Coastal Bridge**

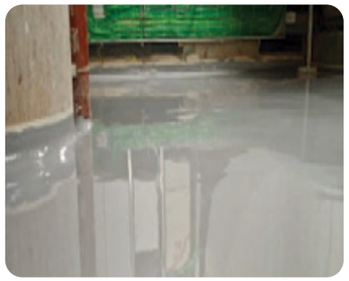
We worked for the prestigious Mumbai coastal road project, Phase 2 of Mumbai Metropolitan Region Development Authority (MMRDA).

### Airports



**Chennai Airport**

Pro Polyshield Concrete 4mm used across ~17,200 square meters.



**Bengaluru Airport**

Pro Epishield SL Topping 1mm and Pro Bepocem 4mm used across ~25,000 square meters.



**Goa New Airport**

Pro Polyshield Concrete 4mm used over 10,000 square meters.

# Business segments – Industrial paints

## Multi-level car parkings



**RMZ – Bengaluru System**

Anti-Skid PU 2.5mm used across ~85,000 square meters.



**Tata – One Solar, Chennai**

Over 7,000 square meters covered with our Pro Epishield SL 1 mm.



**K Raheja - Mumbai**

Epoxy Flooring 1mm used across 25,000 square meters.



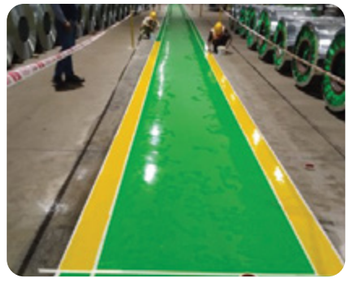
**Electro Allied Products Private Limited, Kolkata**

Pro Polyshield Concrete used across 4,000 square meters.



**Jio World Mumbai**

Pro Polyshield UV 75 used across 12,000 square meters.



**JSPL – Dankuni**

Pro Epishield SL 2mm was applied over an area of 4,000 square meters.

## HVI coatings



**HRRL Rajasthan**



**Garware, Aurangabad**



**Adani Wilmar, Haldia**

## Oil, gas and power



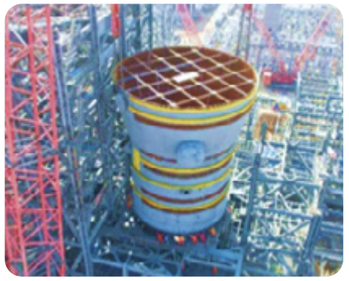
**IOCL Paradip**



**NRL Project, Assam**



**HRRL – Tank farm Mundra**



**HRRL Rajasthan refinery**



**IOCL J18 Expansion Project, Gujarat**



**Khurja Super Thermal Power**

## Original Equipment Manufacturer (OEM)



**Danieli India Ltd., MNC Steel Plant**



**BEML, Mysuru**



**Tata Metaliks**

## Business segments – Industrial paints

### Other infrastructure projects



**Sahanpur Sarsawa Airport, UP**



**NCRTC Rapid Metro station and depot (Delhi – Meerut)**



**Khavda Renewable Energy Park, Gujarat**



**India's longest road-rail bridge, Bogibeel Bridge**



**Rehnok-Pakyong road Project, Sikkim**



**Wankhede Stadium, Mumbai**



**Bhupen Hazarika Setu, Arunachal Pradesh**



**Gujarat Fluoro Chemicals, Dahej Plant**



**Gour Road Tar Coat, Satna to Maihar Road project**



BERGER PROTECTON SIGMARK

**Low cost variant 'Sigmark Smart'- launched in November 2023**

It is an innovative product which can meet the requirments of Ministry of Road Transport

**Polyurea**

Utilising advanced technology, we have begun manufacturing Quickspray MP250 and MP500 for segments like sewage treatment plants, potable water, floor coating, and premium roofing.



**Mahindra, Maharashtra**

First time application of Polyurea in the automotive industry for flooring.



**Mylan Labs, Maharashtra**

First time application of Polyurea in the Pharmaceuticals industry for flooring.

### Year of breakthroughs



**Pipe coating**

We achieved a breakthrough with WRAS-certified pipe coatings at Welspun among others and received many approvals for irrigation.



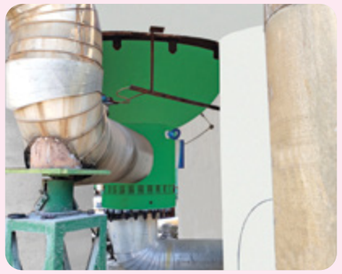
**Can coating**

We expanded into the can coating business with collaborations.



**Cap coating**

We entered the Cap Coating business, providing cap coatings for Alutop, ASB, Aluminium, Larsan Tin, and Sera Container.



**Thermo Indicative Paint**

Our innovative product 'Thermo Indicative Paint' received a breakthrough order at IOCL, Gujarat, opening various opportunities in refineries and fertilisers.

## Business segments – Industrial paints

# Automotive-General Industrial Coatings

## Overview

We have transitioned from multicoat to mono-coat application systems and adopted eco-friendly, energy-efficient baking schedules. Our extensive palette includes a wide array of metallic and non-metallic shades, distinguishing our brand in the market. The GI Coatings segment is a **LEADER** in India with SBL Speciality Coatings Private Limited's GI segment

### New products launched

#### General industrial coatings



Soft feel clear for PP/ ABS/ Plastic/ Bakelite Parts*, Stovekraft



Monocoats for Heavy Agri Equipment, Beri Udyog Private Limited



Epoxy Phenolic Clear for Barrel inside, Pearson Drums & Barrels Private Limited



Metalic shades for Helmet, STUDDS Accessories Limited



Metallic Monocoats for Fan, Crompton Greaves Consumer Electricals Limited



TSA paints for Electric 3W, Yatri E-Rickshaw, Hoogly Motors Private Limited

#### Automotive coatings



Matt Shiny paint for bike, TVS Motor Company



Superdurable TSA for tractor, Mahindra & Mahindra Limited



Eco –Friendly paints for Construction Equipment, Tata Hitachi Construction Machinery Company Private Limited



CED Paints for New Technology, Tata Motors Limited



Low Temperature Curing Paint Solution for Chassis, Mahindra & Mahindra Limited



Monocoat Superdurable Finish for Truck, Tata Motors Limited

*PP- Polypropylene | ABS- Acrylonitrile Butadiene Styrene | TSA- Thermosetting acrylic



# Powder Coatings

## Overview

Innovation and sustainability drive our advanced powder coating technologies, tailored for diverse industries including automotive, furniture, home appliances, and more. Our offerings feature bonded metallic powder coatings for enhanced aesthetics, durable polyester-based coatings for clean room panels, unique finishes like wrinkle and alligator textures, and heat-resistant coatings for high-temperature environments. With a strong presence in major segments and long-standing partnerships with leading OEMs, we have consistently supplied quality solutions for over two decades.

### Key brands

#### Ultracoat

We offer Pure Epoxy and Epoxy-Polyester hybrid systems for interior use, featuring excellent mechanical, chemical, and corrosion properties in various finishes, suitable for segments such as furniture, lighting fixtures, electric fans, automotive accessories, and more.

#### Permacoat

The PERMACOAT brand offers Pure Polyester and Polyurethane chemistries with excellent outdoor durability, mechanical properties, and chemical resistance, in various shades and finishes, suitable for the architectural segment (non-warranty), automotive accessories, alloy wheels, dish antennas, agricultural and construction equipment, generators, and control panels.

#### Qualicoat

The QUALICOAT brand, designed mainly for interior use to meet specific OEM customer requirements, offers Pure Epoxy and Epoxy-Polyester hybrid chemistries in various successful shades and finishes, suitable for white goods, electric fans, storage solutions, and elevators.

### New brands launched

#### Duraberg

Warranty grade and high durable polyester powder coatings are specifically designed for the architecture segment, used in facades, curtain walls, door and window frames, and handrails.

#### Rebacoat

Sustainable functional powder coatings which offer fusion bonded epoxy powder coatings primarily for TMT bars (REBAR), pipes, and valves.

## Business segments – Industrial paints

### Berger Powder Coatings Applications in various segments



Storage Racking Solution



Epoxy Primer & PU Powder for Alloy Wheel



Furniture Items



Architecture Powder Coatings - Facades



Heavy Earth Movers



Lighting Fixtures



**Low Bake Energy Savings Powder**
Coatings for Air Conditioners' Outdoor Unit



**Low Bake Energy Savings Powder**
Coatings for DG Set Industry



Rebar (F.B.E.) Powder Coatings



Metallic Powder Coatings - Fan




**Best Supplier award by IFB Industries Ltd.**

## Governance

# Shades of integrity

Conducting our business with integrity and the highest level of governance is fundamental to our corporate behaviour. We consistently uphold rigorous standards of governance that not only comply with applicable legislation but exceed expectations in various aspects of our operations.

## Governance framework

Our Board strives to uphold sound principles of corporate governance within our Company. It plays a pivotal role in overseeing how the management serves the interests of shareholders and stakeholders in the short, medium, and long-term. Our governance practices prioritise maintaining an effective, well informed, and independent Board. We consistently review and benchmark our governance practices against best global standards. The Board is responsible for our Company's management, strategic direction, and performance, with support from the Board Committees, the Chief Executive Officer and Managing Director, and the management.

### Board of Directors

Ensure the success of our Company for the benefit of all our stakeholders.

### Board Committees

Deal with specific areas/ activities which concern our Company.

- Audit Committee
- Compensation & Nomination & Remuneration Committee
- Business Process & Risk Management Committee
- Corporate Social Responsibility Committee
- Stakeholders' Relationship & Investor Grievance Committee
- Share Transfer Committee

### Management

Safeguard the delivery of our Company's strategy, business plans and financial performance.

## Transparency

Building trust across our stakeholder universe is paramount to us. Therefore, we have embraced a comprehensive reporting approach to ensure transparency and provide stakeholders with a holistic view of our financial and non-financial performance.

## Policies

Our policies serve as an enabling framework for realising our governance vision and ensuring transparency both within and outside our organisation.

Read more on our website at **www.bergerpaints.com**

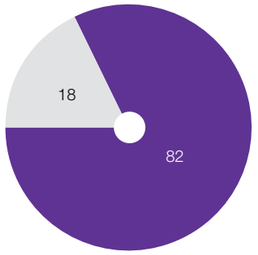


## Code of conduct

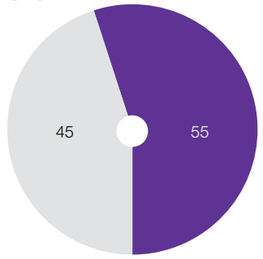
We maintain a code of conduct that applies to all Directors, senior management, employees, and business partners. Our code emphasises our core values and principles while outlining expectations for various situations. With zero tolerance for corruption and unethical behaviour, it serves as a central policy document that everyone associated with our Company must adhere to.

## About the Board

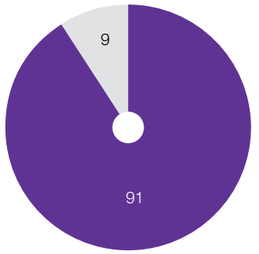
### Board diversity (%)




### Board independence (%)




### Board age profile (%)




## Board committees

### Audit Committee

5

Ensure the integrity of our Company's financial statements, internal control arrangements, and compliance with legal and regulatory requirements. Additionally, oversee the statutory auditors' performance, qualifications, and independence.

### Business Process & Risk Management Committee

2

Assist Board in monitoring and reviewing the Risk Management Policy, along with overseeing the implementation of the risk management framework.

### Stakeholders' Relationship & Investor Grievance Committee

1

Aid our Board in fulfilling its duties by overseeing the review of our Company's Investor Service Standards and addressing shareholders' grievances effectively.

### Compensation & Nomination & Remuneration Committee

2

Recommend candidates for directorship and key managerial positions, determine the remuneration structure for members and one level below the Board, evaluate the performance of Directors and oversee succession planning at the Board level.

### Corporate Social Responsibility Committee

1

Responsible for formulating and recommending a Corporate Social Responsibility (CSR) Policy to our Board, outlining our Company's planned activities, and overseeing its implementation.

### Share Transfer Committee

12

Approves shares related matters (applications received from share-holders, new applicants, others)

● Number of meetings during 2023-2024

## Governance

# Board of Directors



**Mr. Kuldip Singh Dhingra**
Chairman

**Date of appointment**
17/07/1991



**Mr. Gurbachan Singh Dhingra**
Vice-Chairman

**Date of appointment**
14/05/1993



**Mr. Abhijit Roy**
Managing Director & Chief Executive Officer

**Date of appointment**
11/02/2011



**Mr. Naresh Gujral**
Independent Director

**Date of appointment**
20/08/2014



**Dr. Anoop Kumar Mittal**
Independent Director

**Date of appointment**
19/03/2020



**Mr. Anoop Hoon**
Independent Director

**Date of appointment**
01/02/2019





**Ms. Rishma Kaur**
Executive Director

**Date of appointment**
14/04/2011



**Mr. Kanwardip Singh Dhingra**
Executive Director

**Date of appointment**
14/04/2011



**Mrs. Sonu Halan Bhasin**
Independent Director

**Date of appointment**
01/02/2019



**Mr. Gopal Krishna Pillai**
Independent Director

**Date of appointment**
15/05/2023



**Mr. Subir Bose**
Independent Director

**Date of appointment**
15/05/2024

## Board expertise

The specific areas of focus or expertise of our Board members are in the fields of-

- Business development
- Market strategy and branding
- General Management
- Governance
- Manufacturing and technical knowledge

Details are mentioned in the Corporate Governance Report

## Business model

# Innovation palette

### Inputs

**Financial capital**
- Net worth ~₹ 5,378.9 Crores
- Net cash positive ~₹ 362.2 Crores

**Manufactured capital**
- 15 Manufacturing facilities in India (excluding subsidiaries)

**Intellectual capital**
- 94 R&D Personnel

**Human capital**
- 4,445 Permanent employees
- 1,971 Training programmes including seminars conducted

**Social and relationship capital**
- ₹ 20.79 Cr CSR expenditure
- 14,552 Retail touchpoints added during the year
- ~8,000 Colorbank machines added during the year

**Natural capital**
- 47% Share of renewable energy in total energy consumption

### Value creation process

**Corporate philosophy**

**Philosophy**
At Berger, we believe in driving growth through innovation.

**Vision**
To emerge as the most esteemed Indian company specializing in paint and coating solutions, globally acknowledged for its exceptional competencies

**Mission**
To maximise shareholder value through the continuous development and delivery of innovative, top-tier solutions for our customers, consistently surpassing industry benchmarks, and fostering a dynamic and challenging work environment for our employees.




### Outcomes

- ₹ 11,198.92 Cr Revenues
- ₹ 1,925 Cr EBITDA
- ₹ 1,169.82 Cr Profit after tax
- ₹ 10.02 EPS

- 7,35,550 KL of paint produced
- 14 Awards received for our manufacturing sites

- 43 Products launched during the year under all lines of business

- 90% Employee engagement score
- Zero Fatalities

- 1,24,158 CSR beneficiaries (Painters only)
- 137 New suppliers

- 45% Increase in washing solvent recovered compared to FY 2022-23
- 35% Increase in Powder RM recovered compared to FY 2022-23

### Stakeholders impacted

Customer engagement
Product development
Efficient manufacturing
Quick delivery
Optimal consumption
Business processes

Investors
Customers
Employees
Customers
Employees
Employees
Communities
Suppliers
Regulatory bodies
Regulatory bodies

**Business landscape**

# Bright landscape of growth

Amid global challenges, India's resilient economy thrives on structural strength, boosted by robust private consumption, government investments and favourable policies. This trend supports a promising outlook for the paint sector. Berger Paints, the second largest sectoral player's growth story, echoes our homelands. Our inherent ability to constantly reorientate and adapt to new challenges lends us the vigour to stand tall for over a century and continue undeterred onwards.

## Key figures

$ 9.56 Bn

Indian paints and coatings industry market size

**Source** Mordor Intelligence

70%

Market size of the decorative paints segment in the industry

30%

Market size of the industrial paints segment in the industry

**Source** CareEdge Ratings

## Key drivers of the paint industry in India

### Real estate

Key factors such as growing residential demand, an increase in the need for contemporary office space, and an expanding hospitality and retail sector along with a growing population and increased income levels, are adding an impetus to the real estate sector in India. Furthermore, the Indian Government's emphasis on affordable housing drives the sector's growth.

$ 482 Bn

Size of Indian real estate sector in 2023

$ 1.5 Tn

Size of Indian real estate sector in 2034 (Estimated)

**Source** CII-Knight Frank Report

### Infrastructure sector

The Indian Government's constant focus on augmenting the country's infrastructure has increased investment, accelerating the demand for industrial paints.

### Industrial sector

Robust economic activities in the country drive growth for consumer durables, automobiles, and allied industries, leading to buoyant demand for coatings.

### Increased rate of urbanisation

From the current urbanisation rate of 36.5%, 42.5% of India's population, or 164 million households, will likely be residing in urban centres in India.

**Source** CII-Knight Frank Report

## Emerging trends in the paints industry

### Increased competition

Over the past few years, new entrants in the industry backed by conglomerates have emerged. Considering the low per capita paint consumption in the country, this is expected to accelerate the industry growth.

### Innovative offerings

Customers seek durable paints that withstand harsh weather, wear, stains, dirt, mildew, and corrosion. The industry innovates with advanced technologies like nanotechnology, smart coatings, self healing coatings, antimicrobial coatings, and superhydrophobic coatings.

### Declining repainting cycle

With increasing income and higher aspiration levels, the repainting cycle is witnessing a steady decline, leading to growing demand for paints in the country.

5.6 years

Repainting cycle in 2031 (from 6.9 years in 2019) (Estimated)

**Source** JP Morgan

### Responsible products

There has been an increasing demand for eco-friendly products that reduce environmental impact and improve indoor air quality. Customers are seeking paints with low or zero volatile organic compounds (VOCs), harmful chemicals that evaporate from paints and can cause health issues.

## Berger Paints' response

As a leading decorative and industrial paints manufacturer, Berger Paints prioritises innovation, offering products that meet diverse customer needs beyond functional use. We continuously expand our capacities and network of partners to broaden our reach and serve customers across various segments nationwide. Furthermore, we have strengthened our portfolio with a range of eco-friendly products to suit the growing demands of our customers.



## Stakeholder engagement

# Crafting colourful connections

Over the last century, we have made remarkable progress and achieved numerous milestones, each adding to our success story. With a market capitalisation that places us among the top 15 global paint companies, Berger Paints has grown and demonstrated our proven proficiency in creating incremental value for our customers and partners, significantly impacting the industry. We have always been one step ahead, making the right decisions at the right moments. Today, we boast an impressive array of happy and satisfied stakeholders with whom we enjoy longstanding ties that continue to endure.

### Process of stakeholder engagement

**Identify**
We identify what all our stakeholders want and expect from us, allowing us to prioritise what is important.

**Engage**
We collaborate with our stakeholders to develop abilities and resources that enable effective interactions.

**Implement**
We assess the most effective way for developing an interactive process to meet their needs and expectations, and then implement it.

**Assess**
We collect feedback and conduct an analysis of the overall process and its success.

**Improve**
We invest in solutions that strengthen our relationships with our stakeholders.





## Our stakeholders

**Investors**
Our investors are vital to our continuous growth. They provide us with the necessary financial resources to expand our operations continuously.

**Influencers**
Our influencers play a crucial role in impacting the decision-making of our customers.

**Customers**
Our customers are at the heart of whatever we do, and their feedback constantly helps us improve our products and services.

**Regulatory bodies**
Regulatory bodies establish the laws, regulations, and policies that govern our business.

**Employees**
Our employees are critical to execute our business strategy. Discussing performance and providing training and opportunities helps to keep our people motivated and engaged.

**Suppliers**
Collaborating with our suppliers is essential to maintaining a seamless supply chain, fostering innovation, and enhancing sustainability within our business.

**Communities**
Our communities give us the social license to operate and can be affected by our operations. We ensure holistic community development to drive inclusive growth.

# Stakeholder engagement

## Approach to stakeholder management

| Stakeholders | Key concerns | Frequency of engagement | Capitals linked | Value created |
|---|---|---|---|---|
| **Investors** | • Returns on investments<br>• Long-term goals<br>• Sustainable growth<br>• Timely disclosures and compliance<br>• Good governance | • Quarterly<br>• Semi-annually<br>• Annually<br>• Need-based | | **₹ 10.02**<br>Earnings per share |
| **Customers** | • Value for money<br>• Convenience<br>• Innovative products<br>• Product safety<br>• Timely services | • Regularly<br>• Need-based | | **11,842**<br>Customer complaints resolved |
| **Employees** | • Safety<br>• Learning and development<br>• Occupational health and safety<br>• Professional growth<br>• Diversity<br>• Rewards and recognitions | • Regularly | | |
| **Communities** | • Health and hygiene<br>• Skilling<br>• Water management<br>• Empowering marginalised communities | • Quarterly<br>• Annually<br>• Need-based | | **₹ 20.79 Cr**<br>CSR Spend |
| **Suppliers** | • Fair business dealings<br>• Timely transactions<br>• Ethical practices | • Regularly<br>• Need-based | | **137**<br>New suppliers |
| **Regulatory bodies** | • Proper compliance<br>• Aligned with national agendas<br>• Following sustainable business practices | • Annually<br>• Need-based | | |
| **Influencers** | • Business collaborations<br>• Branding | • Regularly | | **1 Lakh+**<br>New painters added |

## Materiality assessment

# Our spectrum of impact

Identifying and assessing topics of mutual significance to our stakeholders and our business and comprehending their potential impact on our ability to generate long-term value are essential components of our planning processes and help us execute our strategic objectives.




**Identification of material topics for assessment**

We identified material topics relevant to the business through global standards and frameworks and assessment of peers operating in the sector.

**Prioritisation of material topics and development of materiality map**

Based on analysing the results obtained through stakeholder engagement, we grouped impacts and prioritised material topics to arrive at the key material topics for Berger Paints.

**Identification of impacts**

Our Company's negative and positive impacts were identified through sector-specific impacts, geographical presence, operating context, overview of our stakeholders, and the nature of our business based on publicly available information.

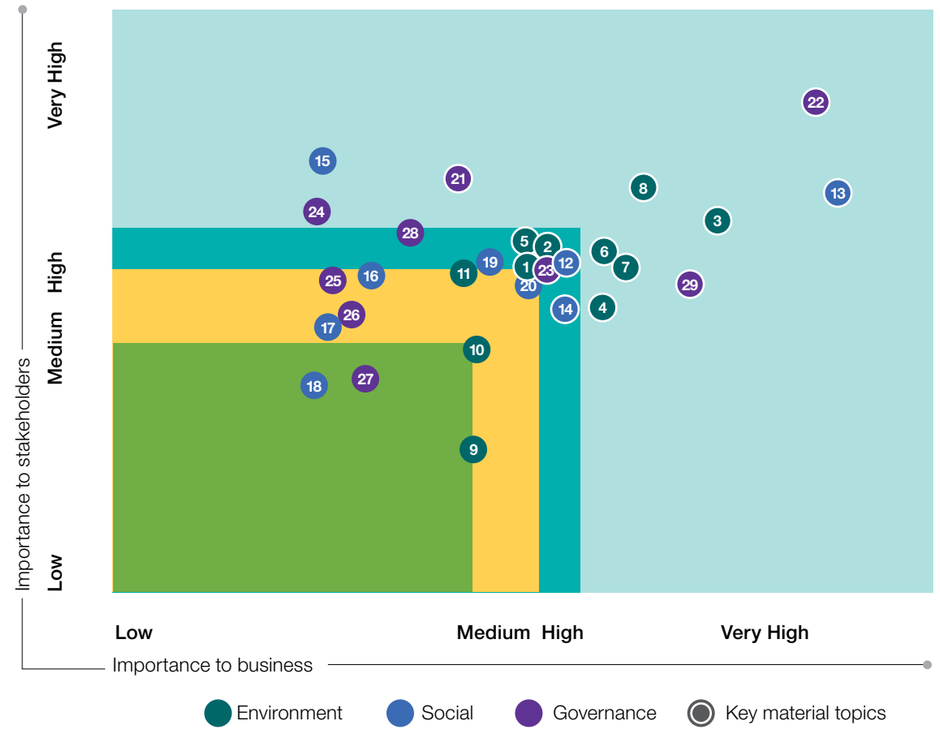
**Assessing the significance of impacts**

In the previous step, we identified negative and positive impacts, which we further assessed based on stakeholder engagement to identify the scale (severity), scope (how widespread the impact is/could be), irremediability (how difficult it is to remedy), and likelihood (chances/frequency of each impact as relevant).



## Materiality matrix

We formulated our materiality map by synthesising input from our key stakeholders. This map underscores the critical environmental, social, and governance issues significant to our organisation and our stakeholders. The evolving composition of material topics reflects our responsiveness to stakeholder feedback and demonstrates our commitment to aligning priorities with stakeholder expectations.




### Material topics

**Environment**

1. Air emissions
2. Water and wastewater
3. Energy
4. Waste management
5. Material handling
6. End of life management of product/Life cycle assessment/ Sustainable product portfolio/Product innovation and stewardship
7. Supply chain sustainability
8. Environmental compliance
9. Biodiversity
10. Climate change
11. Management of hazardous chemicals

**Social**

12. Labour management and relations
13. Process safety
14. Employee education and training
15. Consumer satisfaction
16. Community relations
17. Human rights
18. Diversity, inclusion & equal opportunity
19. Customer health & safety
20. Occupational health and safety

**Governance**

21. Business ethics, compliance and transparency
22. Innovation and R&D
23. Economic performance
24. Marketing & labelling
25. IT & cyber security
26. Market presence/Business growth
27. Indirect economic impacts
28. Risk management
29. Talent acquisition & employee engagement

**Strategy**

# A palette of prudence

Our strategic priorities help maintain our vibrant growth trajectory and create value for all stakeholders.

## Strategic priorities

### Focused growth

Driving growth and enhancing operational excellence through expansion and scalability

₹ 2,700 Cr

Planned investments in capacity expansion

**Importance to Berger Paints**

Enhance ability to meet the growing needs of our customers and serve the growing market

**Progress in FY 2023-24**

- Achieved full-scale commercial operations at our Sandila plant
- Outlined a plan for setting up greenfield plants – one each in West Bengal and Odisha

### Market expansion

Drive organic growth by venturing into newer markets

14,552

Retail touchpoints added in FY 2023-24

**Importance to Berger Paints**

Enhance ability to meet the growing needs of our customers and serve the growing market

**Progress in FY 2023-24**

460+

Berger Paints exclusive stores opened

### Foster innovation

Create innovative solutions by leveraging our robust research and development capabilities

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R&D Personnel

**Importance to Berger Paints**

Meet the evolving needs of our customers in decorative and industrial segments

**Progress in FY 2023-24**

~8,000

Colorbank machines added during the year

- New advanced machines have been purchased for R&D Activities

### Sustainable practices

Improve the environment and the lives of the people associated with us by integrating sustainability in everything we do

₹ 3.43 Cr

Investments made towards clean energy in FY 2023-24

**Importance to Berger Paints**

Uphold our values and ensure our growth does not negatively impact our stakeholders

**Progress in FY 2023-24**

- Reduced absolute excess giveaway by 0.03% bps
- Focused on manufacturing low-VoC and water-based paints

## Risk management

# Navigating uncertainties with ease

Our robust risk management policy has received the approval of the Business Process and Risk Management Committee, the Audit Committee, and the Board of Directors. This policy is a comprehensive framework for identifying and mitigating risks in our business operations. We continuously review and refine this framework to adapt our business's evolving size and complexity and changing regulatory requirements. Periodic reviews ensure that our risk mitigation strategies remain effective and responsive to our operational landscape.

### Risks and opportunities

| Key risks | Mitigation measures | Linkage to Material issues |
|---|---|---|
| **Industry risk**<br>Downturn in end user industry could adversely impact the demand for our products | The paint industry has significant headroom for growth, considering low per capita consumption, buoyant real estate sector and increasing infrastructure creation. At Berger Paints, we continuously strengthen our product portfolio across business segments that are aligned with our industry's needs. | 15 Consumer satisfaction<br>23 Economic performance<br>26 Market presence/ Business growth<br>28 Risk management |
| **Competition risk**<br>Entry of new players may impact market share and dent profitability | We leverage our strong R&D capabilities at Berger Paints to introduce pioneering products. Further, we have emerged as the sole supplier for some of the prestigious infrastructure projects in the country. We are further enhancing our capacity and market reach to strengthen market share. | 15 Consumer satisfaction<br>22 Innovation and R&D<br>23 Economic performance<br>26 Market presence/ Business growth<br>27 Indirect economic impacts<br>28 Risk management |
| **Reputation risk**<br>Negative publicity driven by any act of our Company can be detrimental to growth | At Berger Paints, we continuously monitor social media feedback and address it quickly. Our dedicated customer care department ensure customer grievances are met within the stipulated timeline. Furthermore, we have created a widespread logistic network that helps us supply our dealers promptly. Shareholders' queries are attended to and resolved promptly. | 12 Labour management and relations<br>15 Consumer satisfaction (including shareholders)<br>17 Human rights<br>19 Customer health & safety<br>26 Market presence/Business growth<br>27 Indirect economic impacts<br>28 Risk management |
| **Climate risk**<br>Changes in climate conditions could adversely impact business operations | We assess the environmental risks associated with our business and develop mitigation plans. To minimise the impact of our operations, we focus on energy conservation, waste management, water management, and the use of renewable energy. | 2 Water and wastewater<br>3 Energy<br>4 Waste management<br>10 Climate change<br>11 Management of hazardous chemicals<br>28 Risk management |
| **Financial risk**<br>Inability to procure adequate funds at competitive rates could adversely impact our capex plans | We have maintained a healthy Balance Sheet with the net cash standing at ₹ 362.2 Crores. Furthermore, we plan to fund our required capex for the next five years mainly through our internal accruals. | 23 Economic performance<br>26 Market presence/ Business growth<br>28 Risk management |
| **Cybersecurity risk**<br>Loss of critical information and attack on our network could lead to operational disruptions | We have invested in cutting-edge IT security measures to safeguard against potential threats. Furthermore, we conduct periodic IT audits to find gaps and take adequate countermeasures. | 22 Innovation and R&D<br>25 IT & cyber security<br>27 Indirect economic impacts<br>28 Risk management |
| **People risk**<br>Inability to retain and attract talent could adversely impact our growth aspirations | We have a legacy of high employee retention driven by our people friendly and empowering work culture, engagement initiatives and reward and recognition programmes. | 24 Marketing & labelling<br>26 Market presence/ Business growth<br>27 Indirect economic impacts<br>28 Risk management<br>13 Process safety<br>14 Employee education and training<br>17 Human rights<br>18 Diversity, inclusion & equal opportunity<br>27 Indirect economic impacts<br>28 Risk management<br>29 Talent acquisition & employee engagement |

## Financial capital

# Strokes of acumen

We are committed to create value for all our stakeholders by managing our financial resources with commercial insight and diligence, while seizing sustainable, long-term economic growth opportunities.

### FY 2023-24 highlights

**₹ 11,199 Cr**
Revenue from operations
**6%** y-o-y growth

**₹ 1,925 Cr**
EBITDA
**25%** y-o-y growth

**₹ 1,170 Cr**
Profit after tax
**36%** y-o-y growth

**₹ 3.50**
Dividend per share

> We have achieved an extraordinary milestone, surpassing ₹ 11,000 Crores for the first time in our history, showcasing our unrelenting efforts towards excellence. As we embark upon the journey ahead, with a legacy of hundred years, our focus remains on continuous improvement across all fronts. We are poised to achieve an even brighter future through our determined efforts and strategic initiatives."
>
> **Kaushik Ghosh**
> Chief Financial Officer

**Material topics impacted**

- Business ethics, compliance and transparency
- Labour management and relations
- Innovation and R&D
- Economic performance

**Stakeholders impacted**

**Capitals linked**

**Strategies linked**

# Financial capital

## Overview

We continue to enhance the strength and utilisation of our financial resources. As a significant player in a thriving industry, we prioritise various focus areas to sustain our exceptional performance in the years ahead.

## ESG integration

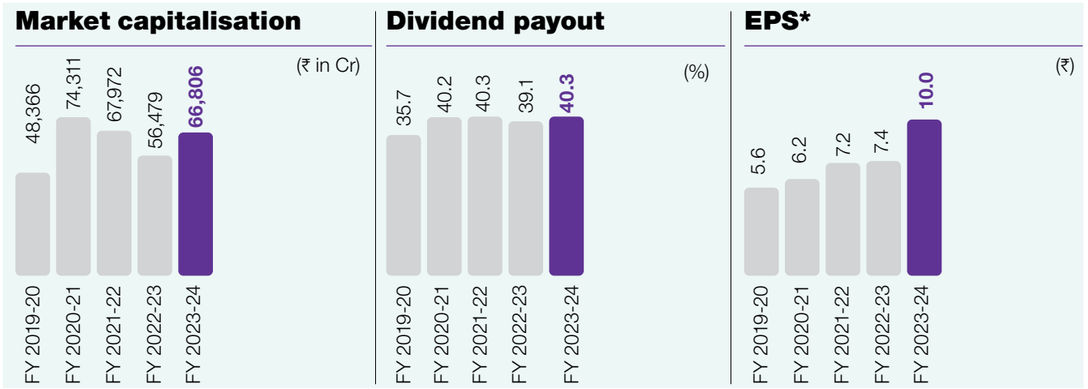
We have integrated ESG considerations into every aspect of our business strategy, including our investment evaluation process. ESG related due diligence has become a pivotal component of our investment procedures. We conduct this in tandem with financial due diligence, meticulously examining ESG related implications, compliance matters, regulatory permissions, and social commitments before making investment decisions.

## The year at a glance

During the year, Berger Paints reported revenues of ₹ 11,199 Crores, reflecting a 6% growth over ₹ 10,568 Crores reported in FY 2022-23. Robust demand, market expansion and better value growth drove this performance. Our EBITDA for the year stood at ₹ 1,925 Crores, a growth of over 25% over FY 2022-23. On the margin front, we saw an increase in EBITDA, driven by moderation in key raw material prices, optimised material mix, and better procurement. Profit after tax increased by 36% from ₹ 860 Crores in FY 2022-23 to ₹ 1,170 Crores in FY 2023-24. Earnings per share increased by 36% from ₹ 7.37 in FY 2022-23 to ₹ 10.02 in FY 2023-24.

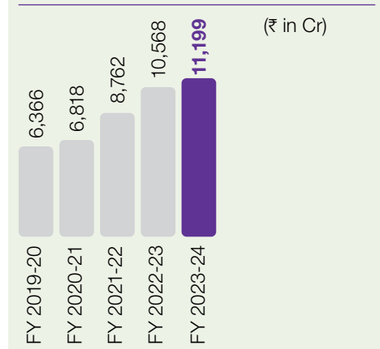


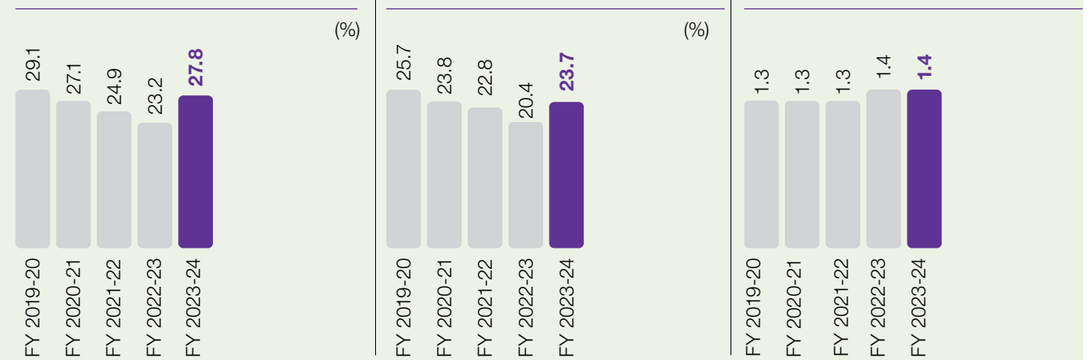
## Key financial capital outcomes (Consolidated)

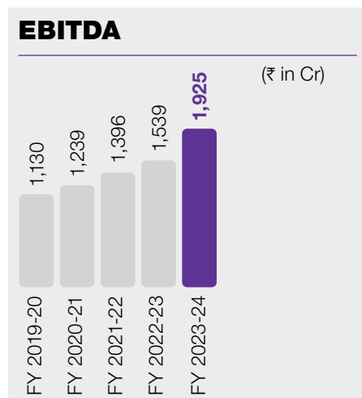


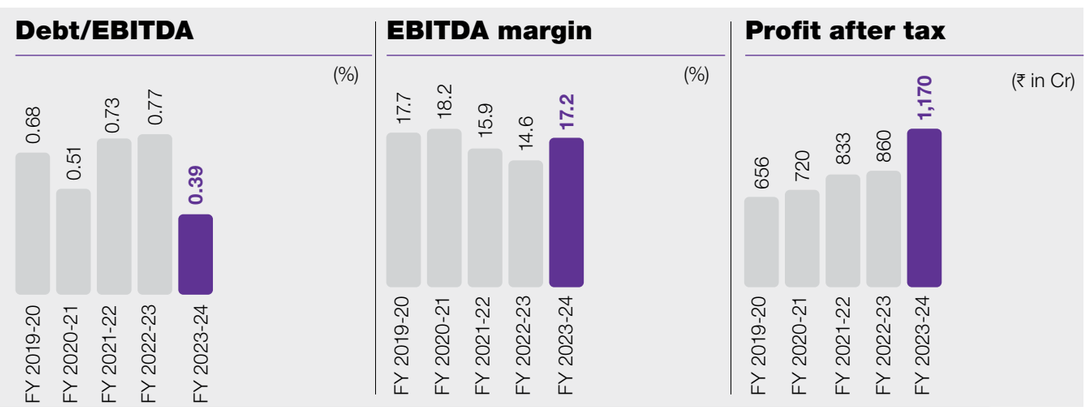

*Note: EPS of previous years have been restated due to impact of allotment of Bonus Shares on 25.09.23 in the ratio of 1:5

## Key performance indicators



# Financial capital

## Balance sheet

Our Company excels in liquidity management, maintaining strong liquidity ratios. A notable highlight of our Company's balance sheet is our significant cash surplus, (we have turned cash positive in FY 2023-24) providing financial cushion and positioning us for strategic investments. This surplus reflects disciplined cash flow management and consistent operating cash flow generation. Our return on equity (ROE) remains high, indicating efficient use of equity capital to generate profits. Significant capital expenditures in recent years demonstrate our Company's commitment to growth. These investments are expected to enhance capacity and efficiency, driving long-term profitability. We have financed these projects without compromising liquidity, showcasing prudent financial management. Our balance sheet is robust, with strong liquidity, a healthy cash surplus, and high ROE. Effective working capital management amidst substantial Capex highlights our Company's financial prudence and growth potential, ensuring sustained stability and enhanced shareholder value

## Creating long-term shareholder value

The year under review witnessed superior shareholder returns underpinned by record profitability, substantial dividend payouts, and shareholder capital appreciation. Throughout FY 2023-24, our Company incurred a capital expenditure of ₹ 275 Crores for capacity expansion and the maintenance of existing manufacturing facilities. Cash generated from operations, amounting to ₹ 1,940 Crores in FY 2023-24, remained the principal source of liquidity. In FY 2022-23, these figures stood at ₹ 748 Crores for capital expenditure and ₹ 1,283 Crores for operational cash generation.

We have implemented a comprehensive risk management framework that supports the execution of our long-term strategy by integrating potential risks and mitigation initiatives into its business planning processes. We successfully drove profitable operations and maintained a comfortable net cash surplus situation during the year. The net surplus at the end of the year was ₹ 1,170 Crores (PAT), with the net cash standing at ₹ 362 Crores.

While current borrowings are primarily for working capital requirements, we actively seek opportunities to optimise borrowing costs and maximise yields on investments, all while adhering to conservative principles of safety, liquidity, and returns. We ensure adequate access to funding and leverage our surplus to meet operating needs and strategic objectives, following a prudent cash flow management approach.

Furthermore, in the event of any future exigencies impacting liquidity, our Company would be well-positioned to borrow capital due to its AAA credit rating and strong balance sheet. As of March 31st, 2024, our Debt/EBITDA ratio was at a comfortable level of 0.39. We continue to report healthy capital efficiency ratios during the year. In FY 2023-24, the Return on Capital Employed (ROCE) was 27.8%, and the Return on Equity (ROE) was 23.7%.

## Ensuring consistent returns

Over the years, we have ensured that we maximise the value delivered to our shareholders through prudent financial management and optimised operations. This has resulted in consistent returns and significant improvements across several financial parameters. As we aim to double our revenue by FY 2028-29, we aim to continue providing exceptional value to our shareholders.

## Economic value created and distributed*

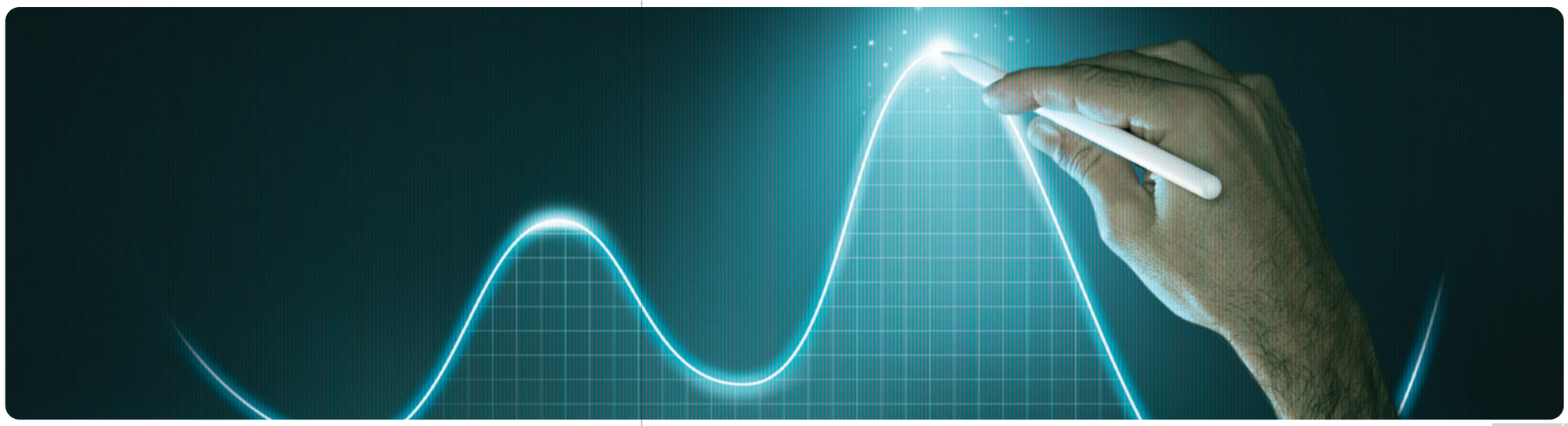
(₹ in Cr)

| | FY 2023-24 | FY 2022-23 |
|---|---|---|
| **^Direct economic value generated** | **10,060.37** | **9,547.77** |
| Revenues | 10,002.93 | 9,470.62 |
| Other income | 57.44 | 77.15 |
| **Economic value distributed** | **9,441.90** | **9,027.66** |
| Operating costs | 8,134.85 | 7,967.65 |
| Employee wages and benefits | 537.27 | 458.12 |
| Payments to providers of capital | 408.03 | 310.86 |
| **^^**Payments to government | 340.96 | 271.75 |
| Community investments | 20.79 | 19.28 |
| **Economic value retained** | **618.47** | **520.11** |

*Above is standalone representation.

**^**Direct Economic Value generated includes financial grants/assistance accrued from Government Authorities by our Company in the form of subsidies amounting to ~₹ 55 Crores in FY 2023-24 and ₹ 113 Crores in FY 2022-23.

**^^** It does not include the amount paid by our Company towards Goods & Services Tax amounting to ~₹ 781 Crores in FY 2023-24 and ₹ 631 Crores in FY 2022-23.



## Manufactured capital

# Strengthening capacities and capabilities

We have successfully established ourselves as a leading paint manufacturer globally and are now the second largest paint company in India. We are also the fourth largest player in Asia and the seventh largest decor paint firm globally. As a pioneer in the industry, our success comes from our ability to adapt to changing times through a modern product line up.

### FY 2023-24 highlights

**~1.50 million KL**
Total paint capacity
**17.95%** y-o-y growth

**7,35,550 KL**
Production volume
**15.60%** y-o-y growth

> As our Company advances and inaugurates our largest manufacturing unit, we integrate cutting-edge technologies and sustainable practices to maximise operational efficiency. We continuously enhance our manufacturing processes through targeted projects, earning accolades for our efforts."
>
> **Rajesh Kumar Tiwari**
> Vice President – Manufacturing

### Material topics impacted

- Air emissions
- Water and wastewater
- Energy
- Waste management
- Material handling
- Sustainable product portfolio
- Process safety
- Economic performance

### Stakeholders impacted

### Capitals linked

### Strategies linked

# Manufactured capital

## Overview

Over the years, our manufacturing processes have evolved to better serve our customers. Our Company's manufacturing systems have undergone significant changes since our inception. From incorporating interactive dashboards to maintaining our best performing legacy processes, we prioritise adopting best practices across all our manufacturing units. This system has helped us not only survive but also thrive for the last century.

## Manufacturing excellence

We have several key drivers that ensure continuous improvement in our manufacturing processes. Focusing on consistently producing high-quality products, we constantly identify areas for improvement and undertake various initiatives to enhance them.

- Efficiency
- Cost optimisation
- Sustainable manufacturing
- Smart manufacturing
- Digitisation

*Jammu has 3 factories, one of which includes a British Paints factory

#Hindupur has 2 factories, one of which includes a British Paints factory

## Manufacturing facilities



**Jammu***

Since **2003**



**Sandila**

Since **2023**




**Howrah**

Since **1923**




**Rishra**

Since **2001**



**Naltali**

Since **2017**



**Puducherry**

Since **1997**



**Hindupur#**

Since **2014**



**Goa**

Since **1995**



**Jejuri**

Since **2007**




**Taloja**

Since **2013**





Every drop counts

## Project Sanchayan

We initiated Sanchayan to minimise losses in our manufacturing processes. This project, designed for yield optimisation and resource efficiency, has optimised costs and integrated environment-friendly initiatives, reducing our carbon footprint and costs. We have implemented a concise three-step process that we can replicate across all our manufacturing facilities.

### Identify losses

We identify losses across our manufacturing processes through our exceptional monitoring systems and human interventions.

### Improve processes

We integrate our processes with the best-in-class technologies and dashboards accompanied by our exceptional human resources.

### Minimise losses

This project has ensured we use raw materials optimally and reduce our input and output costs.

Through Sanchayan, we have embraced technology in our operations, ensuring transparency in our processes. Our monitoring systems and dashboards detect errors, keeping our teams informed. This strategy ensures that the necessary personnel can swiftly devise effective solutions.

## Optimising manufacturing capabilities

We consistently focus on expanding our production capacity to meet the growing demand for our products. Simultaneously, we prioritise integrating new technologies and upgrading existing ones to enhance and strengthen our pan-India market presence.

### Capacity expansion

We are expanding our capacities across all our locations to meet the rising demand for our products nationwide. We consistently invest in new plants and increase capacities in existing ones with significant investment directed towards our largest plant to date, Sandila.

### Digitisation

We consistently upgrade our technological quotient to explore new avenues to enhance our production capacity and serve diverse market segments. Across our manufacturing facilities, we have integrated technology, including new methods for mixing, grinding and other processes. We have also introduced real-time monitoring systems and dashboards to refine and optimise our manufacturing processes. We understand the importance of Industry 4.0 and have adopted best-in-class technologies in our factories, providing us with real-time data across various parameters. Some modernisation tools that we use are:

**Automated notifications for formula changes**

Ensures product quality planning at the factory – level along with better monitoring and visibility of initial bulk batches.

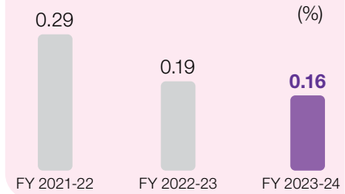
**Central dashboard**

Ensures better control over our operations by offering easy access to all factory-related data such as production and productivity levels.

### Project EGA

Project EGA aims to reduce and control excess giveaways at our filling lines by implementing an automatic SCADA-based weight monitoring system. This system enables real-time monitoring of excess giveaways for each SKU, with reports relayed to our databases and accessible remotely through our manufacturing dashboard. Additionally, this monitoring ensures compliance with legal metrology norms, eliminating underfilling. Embracing concepts like Industry 4.0 and digitalisation in manufacturing, we have initiated the online attendance management system, e-compliance tracker, and manufacturing dashboard across all factories, streamlining processes and enhancing efficiency. Moving forward, we are committed to maximising digitisation across our operations.

**Overall excess giveaway**



# Manufactured capital

## Embedding sustainability in manufacturing

As we grow, we continue to focus on sustainability. We have made substantial investments to minimise waste in our manufacturing processes. We conduct regular energy audits, which help us pinpoint areas for improvement. Furthermore, over the past decade, we have initiated numerous projects to reduce reliance on fossil fuels by integrating renewable energy.

**Sustainability focus areas in manufacturing**

### Energy conservation

We have installed LED lights in our plants, both indoors and outdoors. Additionally, we have installed timers to eliminate unnecessary running hours, while variable frequency drives (VFDs) are in place for all power-intensive machines. These measures have resulted in significant energy savings.

### Water neutrality

We initiated 'Project Jal' to reduce groundwater intake across our factories. We reorganised our operations' sequence to facilitate significant water reuse and used specific water consumption metrics at the plant level to ensure water savings at each plant. We conduct regular water audits and operate a zero-liquid discharge plant. These efforts have led to a 35% reduction in overall water consumption across our units.

### Minimise emissions

Through our 'Clean to Green' initiative, we have implemented a smart heat recovery system in our chimneys. We used to release gas into the atmosphere at 70-80°C. Now, we recover the heat from this gas, which helps us reduce our carbon footprint, saving significant costs. We use the recovered energy to heat water, thus enhancing energy efficiency and sustainability.

Read more about how we integrate sustainability into our processes in the 'Natural capital' section on page 106.

## Outlook

We are swiftly expanding our capacities to meet increasing product demand and developing new facilities to address the nationwide demand for our products. With additional capacities, we aim to accommodate diverse end users across decorative and industrial segments. Greenfield lands have been acquired at West Bengal and Odisha to meet this purpose. Furthermore, we reduce our carbon footprint whenever possible to build a more sustainable future.




At our Jejuri plant, we have taken several measures to decrease carbon footprint.




### Our largest ever manufacturing unit - Sandila

Celebrating our 100th year in India, we invested over ₹ 1,000 Crores towards our largest manufacturing unit in Sandila, Hardoi, Uttar Pradesh, to establish a modern, fully automated paint manufacturing unit. With a total installed capacity of 33,000+ KL per month, including water-based and solvent-based paints, as well as construction chemicals and putty, the plant will boost our profit margins in the future. Spread across 37 acres, the factory has generated hundreds of direct and indirect job opportunities, contributing to the economic growth of the region.

## Awards and accolades



We are the proud winner of Golden Peacock National Quality Awards – worldwide recognised hallmark for Excellence in Quality from Institute of Directors.




Our Naltali unit won the manufacturing award by Encon'23 (CII Easter Region) for energy conservation.




Our Jejuri Plant won Silver Award in CII National EHS Circle Competition 2024.




CII- Green Products and Services Council recognition




Golden Peacock Award in National Quality Competition from Institute Of Directors

## Intellectual capital

# Innovation is a continuous journey

As a disruptor, we constantly strive to innovate and raise industry standards. Through the years, we, at Berger Paints, have been at the forefront of introducing numerous products and innovations, including premium emulsions and the Colorbank machines with a range of 5,000+ shades. From pioneering solutions like Easy Clean and Anti-Dustt paints to transformative services like Express Painting, we have left an indelible mark on the Indian Paint market, shaping its landscape for future generations.

### FY 2023-24 highlights

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R&D personnel comprising Doctorates, Paint Technologists, B. Techs, Post Graduates and others who are equipped with modern instruments for research and development.

“Our enduring strength lies in constant innovation and efficient product development, honed over a century. Looking ahead, we are prioritising customer-centricity to elevate our offerings further. Our innovative products across different business lines have played a crucial role in catalysing nation’s growth and development.”

**Tapan Kumar Dhar**
Senior Vice President – R&D

### Material topics impacted

- Material handling
- Product innovation and stewardship
- Innovation and R&D
- Economic performance

### Stakeholders impacted

### Capitals linked

### Strategies linked

# Intellectual capital

## Overview

As a customer-centric and continuously evolving organisation, we consistently introduce new products across our decorative, industrial, automotive, powder coatings and construction chemicals divisions. Our focus lies in material synthesis and material science to develop versatile coating systems tailored to diverse applications. Driven by our new technology development in the area of resins and emulsions, we have enhanced our existing products' efficiency, robustness, and performance.

## Research and Development (R&D)

Innovation is integral to our product development philosophy. Every year, we try to bring new and innovative products that make the lives of our consumers more colourful, environment friendly and convenient. We undertake joint development work with the OEM & other industrial customers to deliver innovative and value added products. Architectural products are tested at different climatic conditions and application practices across India to check the performance and robustness of the formulation. We continuously explore new ideas in coating formulation and application through active collaboration with research institutions and universities to develop products for the future.



Robotic Spray Application



Instrumental facilities



Scientists at the Corporate R & D Centre, Howrah






## R&D team

Our R&D team is highly skilled and diverse, with smaller groups dedicated to various market segments such as decorative, OEM and infrastructure. With professionals encompassing experience and fresh talent which includes PhDs, M.Scs, Engineering graduates, Post-graduates and Paint Technologist from reputable institutes. Our R&D is equipped with state-of-the-art instruments for quantitative analysis, reverse engineering, and synthesis, including QUV and Xenon Arc weatherometers for long-term exposure performance assessment and instruments for quantitative analysis.

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R&D personnel

## Reducing our environmental footprint

We are reducing our carbon footprint and minimising environmental impact through innovative formulations and processes to deliver high solid, mono-coat & low VOC products. Over the years, we have developed systems that require low baking temperature and less baking cycles for many of our products, lowering energy consumption during baking. Additionally, we have expanded our range of water-based products for various applications, ensuring compliance with government guidelines. All our decorative brands are Green Pro certified by CII, setting the industry benchmark for environment friendliness. Our water-based products have volatile organic compound (VOC) levels conforming to the Indian Standard. Furthermore, products like Silk Breathe Easy and Easy Clean Fresh have consistently earned green label certification from the Singapore Environment Council.

### Partnerships and associations

We are committed to evolving and providing the best products for our customers. We actively pursue partnerships to develop new products and technologies. Collaborating with esteemed institutions, we work towards creating new generation materials tailored to market needs. In FY 2023-24, we partnered with Ramakrishna Mission Vidyamandira, Belur Math, focusing on developing photo active chemicals for paint applications. This three-year project aims to enhance our expertise in speciality chemicals and processes.

## Intellectual capital

# Product development

We continuously strive to meet customers' needs by developing products tailored to their preferences. This approach involves expanding and introducing new product lines across our business segments and exploring complimentary offerings. Our process includes understanding customer specification and jointly establishing the product by line trial across different regions of India. Additionally, we have a team focused on developing new materials, rigorously testing their suitability in various paint formulations. Product diversification is one of the key aspects which has helped us maintain our position as a leading paints company.

### Putting customers at the heart of our innovation

We understand and adapt to the evolving consumer preferences. We tailor our new product offerings to ensure they are highly relevant and beneficial for our consumers. This customer-centric methodology ensures that our innovation efforts create products most suited to our customers' needs and preferences.

### Automotive Industrial Coatings



**Matt Shiny paint**

We fulfilled the need of a renowned Indian 2W manufacturer which needed a matt paint with sheen. We created a compliant, popular coat promoted domestically and overseas.



**CED paints**

CED Electrocoat provides exceptional corrosion resistance and durability, with strong adhesion and protection against chemicals, UV radiation, and abrasion.





**Construction equipment**

Eco-friendly Paint, free from hazardous ingredients such as lead, chromium, and heavy metal, with very prominent weatherability.



**Low temperature curing paint solution**

We developed low bake paints for big OEMs, balancing energy savings with high performance, ensuring uniform coatings for large vehicles.



**Monocoat superdurable finish**

We introduced Monocoat super durable paints. It’s advanced formula resists scratches, stains, and fading, ensuring long-lasting vibrancy and unparalleled durability.

# Intellectual capital

## General Industrial Coatings



### Soft feel clear

Polyurethane paint offers excellent colour consistency, strong adhesion on PP and ABS, and a tough, scratch-resistant film. It features a soft-feel finish topcoat providing a firm grip and pleasant handling experience.



### Heavy Agri Equipment

Our agricultural paint protects farming equipment, structures, and surfaces from weather, corrosion, and wear. It enhances durability, prevents rust, and improves aesthetics. We can develop environmentally friendly paints ; it can also include anti-fungal and UV-resistant properties. Proper application extends the lifespan of assets and maintains functionality.



### Epoxy phenolic clear

Epoxy phenolic clear coatings offer exceptional resistance to a wide range of chemicals and are food grade certified, making them ideal for industries like automotive, aerospace, marine, oil and gas, and food processing, where clarity, durability, and chemical resistance are crucial.



### Helmet

High glossy PU paint and high solid PU surfacer paint with excellent covering, gloss retention and superior adhesion on stringent geometrical surfaces. We have flexible paint system with high scratch resistance and high solid paint to give better covering.



### Metallic monocoats

Metallic monocoat paint combines colour and clear coat in a single application, simplifying the painting process, reducing costs, and saving time. It produces a glossy, high quality finish with a sparkling effect, making it ideal for automotive and industrial applications where efficiency and aesthetics are crucial.



### Electric 3W

Electric 3W (Toto) features a high glossy thermosetting acrylic with excellent coverage, gloss retention, and metallic finish. Its key benefits include excellent metallic lustre and durability, superior gloss and finish, a flexible paint system with high scratch resistance, and applicability via an electrostatic spray system.



# Information technology

Our digital transformation journey is one of the critical reasons for our constant development. We have implemented a plethora of initiatives focused on several crucial areas. We have implemented these initiatives across our offices and facilities. The four principles of our digital transformation strategy are:

- **Reduce operational costs**
- **Enhance consumer experience**
- **Optimise process efficacy**
- **Improve information security**

## Automating our operations

We have put our best foot forward and implemented several initiatives across our locations to improve the efficiency and safety of our operations.

**Key initiatives**

### Software defined wide area network (SD-WAN)

We deployed SD-WAN across our 160 locations. This implementation has significantly benefited us through substantial operational cost reductions and enhanced user experience by providing improved network bandwidth for day-to-day operations by serving as a network aggregator.

### Managed detection and response (MDR)

We implemented MDR to safeguard our data from the outside world and from any unauthorised access. With its advanced ‘Threat Hunting’ technologies, this ‘NextGen’ information security technology improves Berger Paints’ overall security posture in the cyberworld.

### Warehouse management system (WMS)

We leveraged WMS to ensure operational efficiency by integrating Oracle, Robotic Arms for palletisation and automated storage and retrieval system (ASRS). This seamless dispatch operation optimises depot inventory levels, enhancing overall logistics management.

Strengthening our IT infrastructure ensures comprehensive protection against cyber threats, ensuring our data stays secure from unauthorised access. Our secure servers and endpoints, both on premises and in the cloud, adhere to advanced security measures, bolstering governance across our landscape. We operate on a hybrid model, utilising an on premises data centre for hosting versatile homegrown applications alongside a robust presence in the cloud, including Oracle eBusiness Suite on OCI and O365 for e-mail hosted on Microsoft Cloud.

# Intellectual capital

Case study

## Implementing MDR across our operations

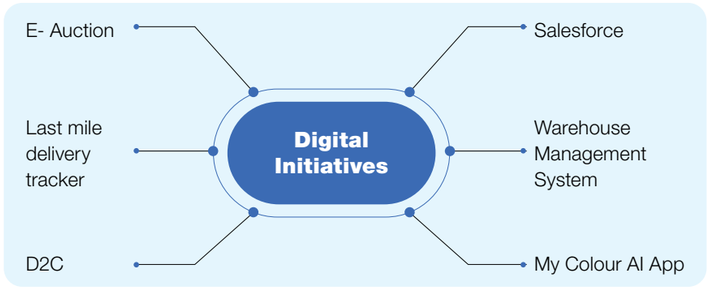
We have consistently prioritised safeguarding our business critical information from unauthorised access, prioritising privacy and data authenticity through advanced cybersecurity measures. Recognising the significance of information security, we continually evolve as a company to incorporate best practices in this area. Aligned with this, we have deployed the MDR solution from a leading security firm across all servers in our data centre to safeguard our business critical data from cyber threats. This 24x7 MDR service ensures proactive threat detection and elimination, with threat hunting capabilities to prevent malicious activity in our ecosystem. Furthermore, we have covered all identified business critical end-user systems under this implementation. We combine AI-powered prevention, endpoint detection and response, network attack surface management, and cloud workload protection into a unified, autonomous platform. We have taken a holistic approach to secure the Berger Paints ecosystem against security breaches and intrusions, ensuring data confidentiality and integrity. As the second largest paint company in India, safeguarding sensitive business critical information is of utmost importance to us. Implementing the MDR solution has fortified our ecosystem, prevented unauthorised access and provided continuous monitoring and governance by cybersecurity experts.

## Digitisation

Over the years, we have systematically implemented digital solutions across our Company, continuously modernising our systems and processes. This ongoing digitisation effort has been instrumental in accelerating our transformation, enabling us to leverage business intelligence, analytics, and various applications to evolve into a more technologically oriented organisation.

### Creating a digital ecosystem for our channel partners

Over time, we have crafted approximately 40 mobility solutions and web portals tailored towards our digital ecosystem, including our salesforce, dealers, distributors, and contractors. These stakeholders play a pivotal role in our digital ecosystem, gaining access to near real time transaction information, facilitating business transactions with Berger Paints, staying updated on loyalty programmes, and receiving the latest updates on products, technology, and schemes, among other benefits.




### Business intelligence and analytics

We have implemented business analytics tools to gain insights from various sources, enhancing our decision making process. Our in-house IT team has developed customised dashboards tailored to our business requirements, enabling real time insights and accurate data interpretation.

We use Tableau, a versatile data visualisation tool which enables users to connect to disparate data sources, create visually compelling dashboards for business intelligent analysis with security and governance.



## Innovating with Protecton

Innovation and excellence drive Protecton to continually improve. Over the decades, we have undertaken projects that build the nation and set industry benchmarks. Whether through remarkable projects or innovative products, we deliver quality results.

### Ensuring long term UV durability

Fluorothane Glossy Finish provides long-term corrosion and UV resistance, with UV radiation unable to break the chemical bonds, resulting in double the gloss retention compared to polyurethanes. It has received RDSO approval for Fluoro Polymer Coatings according to JIS specifications.

### Providing protection against marine corrosion

Berger Paints' Protecton is proud to contribute to India's first vertical lift railway sea bridge, connecting the mainland with Rameswaram Island, which was completed by August 2023. Executed by Rail Vikas Nigam Limited (RVNL) at a cost of ₹ 535 Crores, this state-of-the-art bridge replaces the old bridge constructed in 1914. Berger Paints supplied a special epoxy primer for the zinc metallised steel structures, which are top coated with Fluoro Polymer for the 4,700 MT of steel used. This topcoat provides protection against aggressive marine corrosion and ensures long-lasting gloss, reducing the need for frequent maintenance. The Fluoro Polymer Coatings have received RDSO approval according to JIS specifications.

### Partnering for quality

Our partnership with Chugoku Paints of Japan focuses on producing goods rather than forming a formal joint venture. Nonetheless, we prioritise the needs of our partners, ensuring their orders are fulfilled even during uncertain times.

### Contributing to India's rapid infrastructural growth

Protecton contributes to India's infrastructure by supplying rigorously tested, all weather paint for the Vande Bharat Express, ensuring suitability for high speed trains and various projects. We specialise in customised high performance coatings, managing projects from inception to completion and addressing challenging corrosion issues. With enduring ties to Indian Railways, our Company stands ready to deliver exceptional paint solutions amid the country's growth.

## Awards and accolades




Our Manufacturing Excellence team won 'Smart and Future Ready Factory of the Year Award' at Manufacturing and MSME Conclave 2023 by ASSOCHAM.

## Human capital

# Nurturing talent for tomorrow and beyond

One of the profound principles that keeps us growing is our employee value proposition. Our employees are more willing to go above and beyond because they feel valued for their skills, experience, and commitment to our Company. Led by the able guidance of the expert and humane leadership at our helm, our energetic and passionate team has stood tall among other significant players in India.

### FY 2023-24 highlights

**4,445**
Permanent employees
**8.73%** y-o-y growth

**15,728**
Training hours

**Zero**
Accidents

“Our exceptional work culture has built the trust our employees place in us. We take pride in our culture, continuously refining and nurturing it. Upholding our core values, we have created open communication channels throughout the organisation, enabling swift and efficient problem-solving from the bottom-up. Our culture embraces diversity and inclusivity, empowering employees to share their perspectives and opinions.”

**Ranjan Banerjee**
Group Head – HRD

### Material topics impacted

- Labour management and relations
- Process safety
- Employee education and training
- Talent acquisition and employee engagement
- Economic performance

### Stakeholders impacted

### Capitals linked

### Strategies linked

## Human capital

# Overview

At Berger Paints, our employees are the bedrock of our success. They are the embodiment of our legacy of trust and the driving force behind our commitment to innovation. We prioritise the safety and growth of our employees and workers. By continuously engaging with them, we identify areas for improvement and take proactive measures to address them. Our focus extends to all our employees and workers across all departments, ensuring everyone receives support and opportunities for advancement.

# Organisational culture

Over the past century, our organisational culture has been a cornerstone of our success. Our legacy of trust is built on a foundation of our culture pillars and core values of accountability, customer orientation, ethics and integrity and trust and respect. We strive to create an environment where our employees feel valued, supported and empowered to reach their full potential.

We are committed to nurturing talent and ensuring seamless leadership transitions to drive our future success. During FY 2023-24, we have intensified our focus on building capability and succession planning, recognising that our people are our most valuable asset. We have launched several programmes and learning platforms such as **Dronacharyas**, **TopGuns, Line Manager Capability**, **LinkedIn Learning**, **UpGrad** and **CoursePlay**.

We have created a transparent environment where everyone can contribute to positive change. Through constructive feedback, continuous learning opportunities and mutual respect, our employees consistently excel in their roles. We have built a culture with open communication lines where we understand what is happening at the ground level to come up with the most impactful decisions for them. With a strong focus on work-life balance, we set realistic goals and targets for our employees to ensure they do not face tremendous pressure.

We believe in improving the physical and mental well-being of our employees. Aligned with this thought, we invited a certified yoga instructor to lead the Yoga session through a series of basic yoga poses on International World Yoga Day

## The four cultural pillars of Berger Paints

### Open and non-hierarchical

We have cultivated an environment of continuous learning, embraced open-mindedness, and actively listened to our employees' concerns.

### Autonomy and experimentation

We empower our employees by granting them freedom, authority, and independence to explore their ideas.

### Humble and passionate

We prioritise respect and concern for all our employees, demonstrating empathy and understanding in our interactions with them.

### Agile and process-driven

We have implemented multiple processes to ensure operational efficiency and adaptability.











# Learning and development

We prioritise continuous learning and development for all our employees, offering various avenues such as training sessions, seminars, online courses, and workshops to build upon a culture of growth and learning. Our training programmes cover specific job roles and workplace hazards, ensuring a welcoming and safe environment for every employee.

1,971

Training programmes including seminars conducted during FY 2023-24

## Talent management

As we grow, we expand our workforce by hiring the right people. We prioritise hiring individuals who possess exceptional skills and align with our Company's values. We intend to hire individuals who fit the role at the right time, facilitating our recruits' growth and personal development. This strategy has yielded excellent results for us throughout our history.

## Creating leaders for tomorrow

Our track record in training and developing talent has been exemplary. We have established streamlined processes and a culture that fosters excellence among our employees. Many senior management personnel have been with us since their days as management trainees, with a significant number having been part of Berger Paints for over a decade. Our internship and graduate programmes like Sales Trainee Programme, Graduate Engineer Trainee Programme, Summer Internship Programme (IGNITE), Future Leaders Acceleration & Management Excellence (FLAME) for Management Trainees aim to build a strong leadership pipeline and offer students practical experience.

## Employee engagement

We maintain open communication with our employees to understand their concerns and ideas, ensuring alignment between their needs and our Company's objectives. Through regular surveys, we identify areas for improvement and take action to address them, creating a collaborative and supportive workplace environment.

Our MD & CEO conducts annual town halls to discuss our Company's performance, share strategic updates, and answer employee questions. These sessions foster transparency and allow for direct interaction between employees and leadership.

We understand the importance of measuring engagement to continually improve our strategies. This year, we have implemented advanced tools and methodologies to gauge employee engagement levels and gather actionable insights. We have conducted an **Annual Employee Engagement Survey** to assess and measure the overall level of engagement, satisfaction, and motivation among employees within the organisation. Recognising and celebrating our employees' contributions is fundamental to maintaining high levels of engagement and motivation.

90%

Employee survey score during FY 2023-24

## Diversity and inclusion

We are establishing a workplace where everyone feels empowered to voice their opinions and ideas. By focusing on inclusivity and safety, we aim to cultivate an environment where everyone can freely express themselves. We believe that diversity contributes to creativity, innovation, and overall business success. We have women workforce in good numbers at Jejuri, Sandila, Puducherry, Goa and Rishra factories. Our International Women's Day celebration has sponsorship from Senior Leadership and our MD & CEO. We have hired women across our management teams with an aim to develop a diverse workforce that reflects the richness of perspectives in today's global landscape. We strive to recruit, retain, and develop individuals from diverse backgrounds, ensuring equal opportunities for all employees. We have employed an all women workforce at our Jejuri plant's wood coating unit who are constantly breaking stereotypes and setting new benchmarks across our factories.

Read more about them on page 83.

## Human capital

# Health and safety

Health and safety are of paramount importance to us. Through extensive processes and mechanisms, we have seen incredible results regarding our safety indicators. Our leadership team involves itself to make the safety mechanisms better. We ensure proper safety mechanisms across our processes through a comprehensive approach which involved employee training and safety protocol.

### Incidents

Zero

Fatalities, major accidents and incidents occurred during the reporting year

We have made a significant achievement in workplace safety for FY 2023-24 with zero fatalities, major accidents, and incidents from 11 incidents in FY 2022-23 and 3 incidents in FY 2021-22.

### Making our warehouses safer

We have implemented the latest automation and error proofing measures to enhance firefighting arrangements, premises security, compliance management, and emergency preparedness. This approach includes installing surge and lightning protectors on electrical panels and aspiration type fire detectors with central sampling, smoke detection, and airflow sensor assembly. We conduct regular depot fire safety training, audits, mock drills, and quarterly meetings to review fire emergency preparedness. Additionally, we provide practical firefighting and emergency response management training to ensure readiness. We strictly supervise all material handling and storage activities, upholding cleanliness and hygiene standards.





## Health and safety processes

### Hazard identification and assessment

We conduct regular assessments to identify potential workplace hazards by examining processes, equipment, materials, and environments. Through job safety analysis (JSA), we implement measures to prevent accidents and injuries, ensuring a safer working environment for employees.

### Performance metrics

We track and monitor occupational health and safety (OHS) performance using metrics and KPIs such as injury rates, lost-time incidents, near misses and safety compliance levels. These metrics help assess the effectiveness of occupational health and safety programmes and initiatives, allowing us to identify areas for improvement and enhance workplace safety.

### Committees and employee involvement

We established committees comprising management and employee representatives to address concerns and promote a safety culture within the organisation. Employee involvement in safety planning, decision-making, and problem-solving is encouraged, and monthly safety committee meetings play a critical role in fostering collaboration and continuously improving safety practices.

### Training and education

We provide employees with ongoing safety training and education programmes, focusing on increasing awareness of workplace hazards and promoting safe work practices. These sessions cover hazard recognition, proper use of protective equipment, emergency procedures, and ergonomic principles.

### Reporting and investigation

We have established procedures for employees to report accidents, near misses and other safety incidents. We investigate these thoroughly to determine root causes and identify opportunities for enhancing safety procedures and controls.

### Inspection and audits

We conduct regular safety inspections and audits to assess compliance with safety regulations and organisational policies performed by internal and external safety teams or auditors. These evaluations identify areas for enhancing safety protocols and practices, ensuring a safer work environment.

### Safety and data monitoring

We analyse workplace data to identify trends and potential safety hazards, enabling proactive mitigation measures. Additionally, we ensure compliance with air and water regulations through thorough analysis and testing.

### Surveillance programmes

We implement health surveillance programmes, including routine and special medical examinations, exposure level monitoring, workplace assessments and pre-employment and periodic medical checkups, to detect early signs of occupational illnesses or diseases among employees.

## Human capital

**Complying with safety codes**

- **Track the latest laws and regulations and make the necessary changes in our processes**
- **Involve specialists to improve our processes, wherever required**
- **Employ mechanisms which ensure our employees follow the procedures**
- **Construct our plants and warehouses as per the latest safety standards**
- **Conduct regular internal and external safety audits**
- **Conduct statutory testing to comply with stringent norms**
- **Collaborate with and become a part of various eminent industrial bodies**

## Awards & accolades




Naltali unit received CII EHS 1st runner up award in Eastern India in the segment of large scale industries



Naltali unit received CII EHS 1st runner up award in the Conference on “West Bengal: Poised to Lead”



Berger Paints India Ltd. received the Gold Award for excellence in EHS practices during CII-SR EHS Excellence Awards 2023.



Puducherry unit won 1st Place in Kaizen Competition in Large scale category conducted by CII.

### Our stereotype breaking women’s workforce at the Jejuri plant

Our Jejuri plant's wood coating unit, which specialises in small packs, is managed entirely by a dedicated team of women from local villages. These women, who are first generation employees, have overcome initial apprehensions to excel in a traditionally male dominated manufacturing sector. Their efficiency and care in handling the delicate wood coating small packs have helped maintain product quality. We are bringing economic and social transformation by empowering our women workforce through regular training sessions, a collaborative work environment, and fun activities and recognition opportunities. We seek to cultivate a culture where our women employees feel confident, productive, and empowered to safeguard their rights.

32

Women employed at our Jejuri plant





## Social and relationship capital

# Forging enduring bonds

We are not just a company that excels in business but also strives to positively impact society through our numerous CSR initiatives. One such initiative is our iTrain project, which focuses on skill enhancement and development programmes beyond paints. Through partnerships with several NGOs, we contribute to various welfare initiatives encompassing education, livelihood, healthcare, and women's empowerment.

### FY 2023-24 highlights

₹ 20.79 Cr
CSR expenditure

**7.83%** y-o-y growth

1,24,158
CSR beneficiaries (painters only)

137
New suppliers

"Our commitment to our stakeholders propels us forward, inspiring continual improvement. We strive to enhance value across our stakeholder spectrum daily, initiating numerous engagements annually. Whether through innovative customer solutions or community issue resolution, we sincerely approach every endeavour."

**K. K. Sai**
Senior Vice President – Marketing and Sales

### Material topics impacted

- Supply chain sustainability
- Business ethics, compliance and transparency
- Economic performance

### Stakeholders impacted

### Capitals linked

### Strategies linked

## Social and relationship capital

# Overview

Since our inception, we have been committed to continuously engaging with stakeholders, addressing their concerns, and collaborating on innovative solutions. This year, we have continued introducing new and innovative methods to interact with our stakeholders, further strengthening our relationships.

## Customers

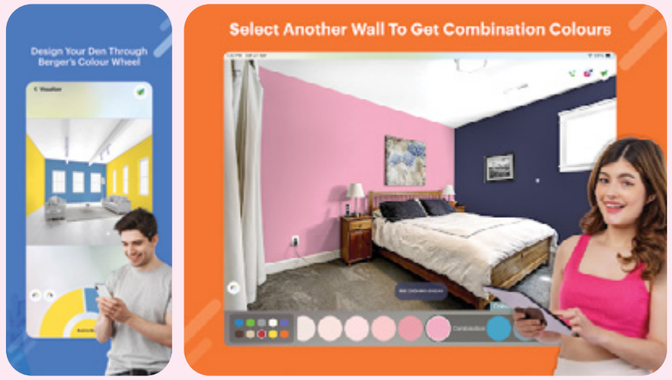
Our focus on customer satisfaction, empowering them, understanding their needs, and delivering high-quality products and services has been one of the critical factors for our longevity and success in the industry. We aim to provide unique value propositions through various services like wallpapers, furniture, and design solutions, offering customers end-to-end home services. Our team prioritises maintaining customer engagement post purchase, building lasting trust and loyalty. We see customer engagement as a continuous process, ensuring brand loyalty throughout the product lifecycle and partnering with renowned retailers to offer exceptional digital and physical experiences.

## Our D2C initiatives

We have achieved remarkable progress in the D2C painting business, spearheaded by initiatives such as the Express Painting service and a suite of high-quality products, positioning us as an industry frontrunner. Through operational excellence and innovative strategies, we have introduced company operated stores, transforming the retail landscape and enhancing the overall customer experience.

## ‘My Colour’ application

We have enhanced our customer engagement efforts by leveraging next generation technology to interact with consumers more effectively. Through AI, we now simulate different colour combinations on their homes, allowing them to envision the outcome before beginning the painting process.




## Customer testimonials

We stayed in our house for the past 18 years and needed to change the look. Berger Paints was our first choice because of their professional service. During COVID-19, we were a little worried because painting involved a lot of people. We researched and came to know that all the painters and contractors of Berger Paints followed safety protocols, wore masks, gloves and a complete suit given to them by the Company. Painting involves a lot of scrubbing and dust, but the best part of our experience was they were using these vacuum-based tools which would scrub all the previous paint, reducing about 70-80% of the dust. If you’re thinking of painting, then go for Berger Paints.”

**Sujay Shinde, Pune**

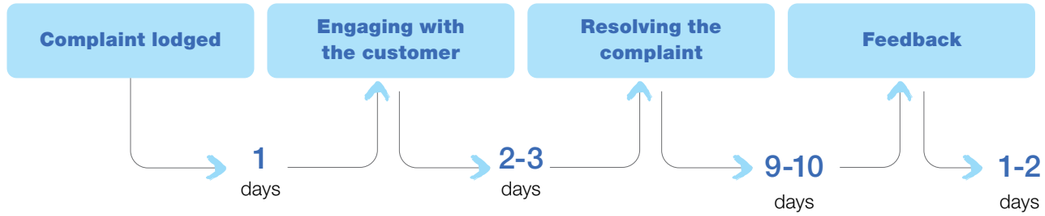
Painting is a very painful job. You cannot paint your house every 2-3 years, so we thought of going with the best, Berger Paints. We were not sure about the colour for our living and dining room. The Berger contractor suggested us a lazy summer colour. They told us to have faith in Berger Paints. They began their work by covering all the furniture first. They did the perfect job of division and work. They listened to our feedback and got the work done exactly how we wanted it to within time.”

**Rakesh Singh, Kolkata**



### Resolving customer complaints

We consider exceptional customer service essential for customer delight and have implemented effective mechanisms to address customer grievances promptly.




11,842

Customer complaints resolved during FY 2023-24

## Connecting with our customers

During the year, we have significantly strengthened our customer relationship through targeted initiatives to enhance connectivity. One notable initiative includes launching various brand films that embody our essence — bringing joy to our consumers' lives. These films are a powerful medium to convey our message, ensuring we resonate deeply with our audience.



# Social and relationship capital

## Centennial year

As we mark our centennial milestone, we extend heartfelt gratitude to all who have supported us along this remarkable journey. To commemorate this special occasion, we have released a video capturing the essence of our celebrations across our factories, depots, and corporate offices. From cutting cakes symbolising a century of inspiring imaginations to creating vibrant rangolis showcasing our diverse colours, each moment encapsulates our shared experiences.





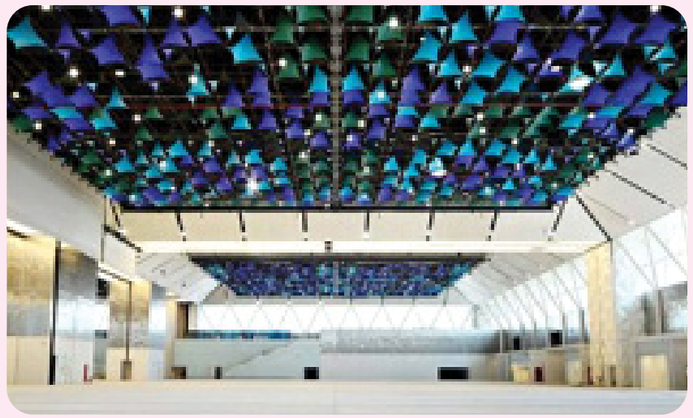

Celebrating the **100th year**



Celebrating reaching the **₹ 10,000 Crores** milestone

## Building the nation together

We are delighted to announce our partnership with the esteemed International Convention and Expo Centre (IICC), named YashoBhoomi. As a market leader in protective coatings, Berger Paints protective coatings played a crucial role in this project, providing specialised services and customised products. We are immensely proud to contribute to this magnificent structure's beautification and long-term durability, safeguarding it against corrosion and harsh weather conditions.



To watch the video, click on https://www.linkedin.com/feed/update/urn:li:activity:7110850210049724416



## Adding dazzle to Diwali

With 1 in 12 men and 1 in 200 women in India experiencing colour blindness, we recognise the challenges they face. Embracing the diversity of perspectives, we have launched an advertisement celebrating the unique viewpoints contributed by individuals of all backgrounds. At Berger Paints, we believe in the boundless nature of imagination and creativity, including those with colour vision deficiencies.



To watch the video, click on https://www.linkedin.com/feed/update/urn:li:activity:7129051130663190528

## Suppliers

We collaborate closely with our suppliers to facilitate seamless business operations, leveraging our longstanding relationships to address any issues that may arise swiftly. We implement transparency across our procurement processes to ensure ethical business practices. Our supply chain and inventory management approach enable us to fulfil product demand efficiently, minimising delays. Consequently, many of our suppliers have been loyal to us for decades.

**137**

New suppliers added during FY 2023-24

### Engagement

We rigorously evaluate our suppliers to ensure alignment with our values and build mutually beneficial relationships through the exchange of best practices. We use a portal to assess suppliers based on predetermined parameters, intervening as necessary to improve operations and bolster our partnership. Additionally, we conduct various training programmes to ensure suppliers are aware of best practices and contribute to the seamless functioning of our operations.

**Identify**

We identify suppliers with whom we can collaborate.

**Evaluate**

We evaluate these suppliers on stringent parameters.

**Engage**

We undertake several initiatives to understand our suppliers better.

**Train**

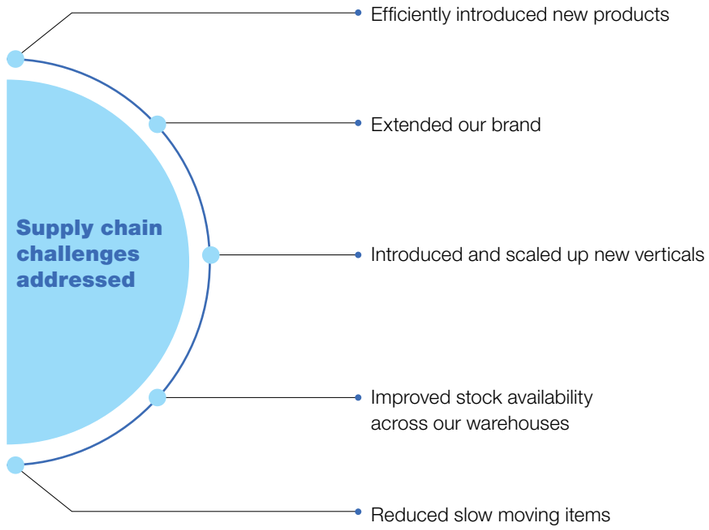
We share best practices and stay in constant touch to ensure smooth operations.

# Social and relationship capital

## Digitisation

We leverage our supply chain as a competitive advantage, driven by data utilisation within our systems. With a century-long presence and one of the largest portfolios of SKUs in the industry, we possess a wealth of data across regions and districts. By digitising our operations and utilising a state-of-the-art supply chain planning platform, we ensure real time connectivity and quick decision-making, giving us a competitive edge. Additionally, our fully implemented warehouse management system enhances our efficiency and resilience.

During the year, we successfully implemented and stabilised end-to-end digitisation of our supply chain. This initiative encompasses touch points across sales, marketing, procurement, logistics, and manufacturing units. Remarkably, the implementation was successful on the first attempt, earning the distinction of 'Right First Time'.




The supply chain has created significant value for our Company in various areas. This includes strategic management of finished goods vendor supplies, particularly putty, and the alignment of increased direct dispatches to enhance scalable and cost efficient finished goods logistics. Additionally, there was a focus on increasing control and sourcing efficiency of key raw materials from vendors.

### Warehouse management system (WMS)

We recognise the critical role of effective inventory management in meeting demand efficiently, leading to deploy a warehouse management system (WMS) at all our factories and almost 100 of our warehouses till now. Leveraging cutting-edge technology with QR code tracking, we have achieved near full automation, enhanced transparency and enabled comprehensive inventory tracking.









## Logistics

Our approach to logistics has led to operational streamlining. Embracing the objective of an agile, responsive, and digitally enabled supply chain, we have minimised reliance on manual processes. Digitisation empowers us with competitive advantages by enhancing visibility, accelerating decision making, and optimising processes.

With a robust change management system, innovative solutions, and best practices across all operations, we ensure our stakeholders benefit from real time visibility and unified information. Our successful change management framework facilitated a seamless end-to-end supply chain digitisation, a rarity in the industry. Leveraging our capabilities strategically, we have increased direct dispatches for efficient finished goods logistics while enhancing control and sourcing efficiency for key raw materials through vendor collaborations.

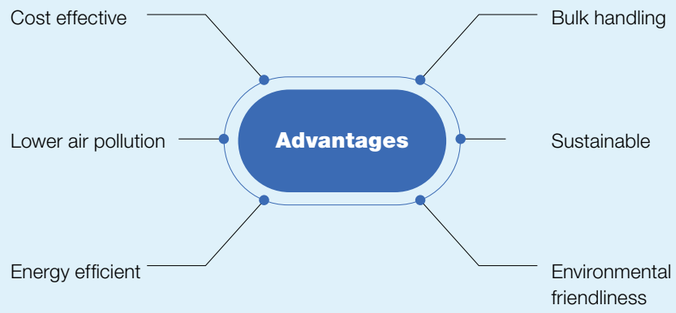
### Berger Paints' thrust areas in logistics

- Reliability
- Digitisation
- Best-in-class processes
- Efficiency

Case study

### Utilising marine logistics

Coastal movement provides a compelling solution for efficient, cost effective, and environment-friendly transportation of goods along India's extensive coastline, while simultaneously improving our ESG Score, particularly our Scope-3 emissions and reducing transit damages and timely shipments. We are conducting further trials across our depots to improve our logistical efficiency.




₹ 3.41 Lakh

Saved since November 2023



## Social and relationship capital

# Vendors

We maintain continuous communication with our vendors, offering support and assistance whenever needed. We provide not only physical training but also digital training along with addressing their concerns. We prioritise our vendors as integral channel partners and have taken several initiatives to improve their experience. Additionally, we conduct regular in-house training sessions to ensure mutual growth and success. Recognising the pivotal role vendors play in our seamless operations, we are working towards localising vendors to shorten the time and distance of our dispatches.

### iPaint

We have introduced wall stickers known as 'iCan' to inform and educate about our 'iPaint' initiative. These stickers include a step-by-step guide to help anyone learn the application process of iPaint.

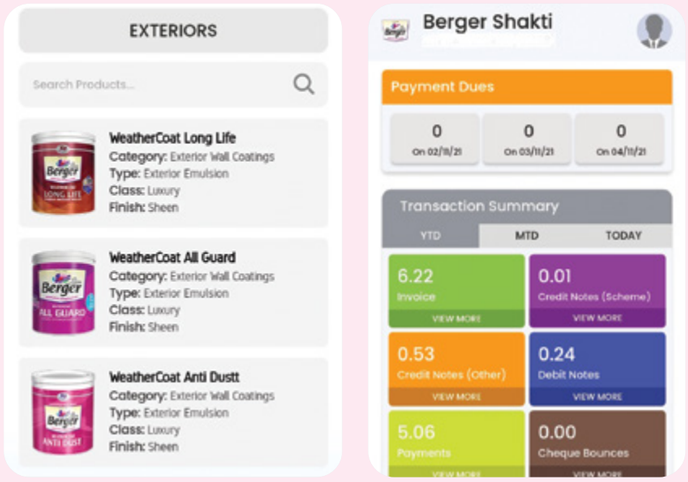



# Dealers

Our ongoing collaboration with dealers focuses on mutual convenience and trust building. Solutions like 'WhatsApp' ordering, and a dedicated call centre streamline their daily operations with us. Additionally, partnerships with top banks offer dealers hassle-free financing options, further enhancing their business experience with our Company. We have been rolling out 'Gold card' royalty programmes for our dealers for over three and a half decades.

### 'Shakti' App

Our 'Shakti' application provides dealers with a comprehensive view of accounting, allowing easy access to documents and data with just a few clicks. This tool has significantly enhanced our dealer relationships and improved their overall efficiency.






# Branding

We take several initiatives to ensure that our brand reflects our values. Our efforts resonate with stakeholders and have a meaningful impact.

Case study

### Kolkata Street Art Festival

Street art involves artists showcasing their work in public spaces such as community buildings, boundary walls, and main streets. We initiated the Kolkata Street Art Festival with dual objectives: to enhance and beautify Kolkata's prominent walls with Berger Paints' colours and to provide local artists a platform to display their talent to the public. Renowned artist and Member of Parliament, Professor Jogen Chowdhury, mentored the programme, with a team of artists led by senior artist Mr. Barun Saha actively participating in the initiative.



Case study

### Bedazzled with Kareena

We hosted an event in Mumbai to showcase our premium product Silk Glamor, featuring brand ambassador Kareena Kapoor Khan and hosted by Siddharth Kanan. The event brought together top dealers for a celebration of relationships and innovation, emphasising Silk Glamor's commitment to transforming spaces with long-lasting glamour. The collection offers a range of rich colours crafted to evoke timeless beauty, redefining the boundaries of imagination in living and creating spaces.



# Social and relationship capital

Case study

## Berger Silken Night

We celebrate the support of our channel partners through Silken Nights, a tradition we began in 2012 and have actively upheld ever since. Dealers from across the country join us for these lavish events, where we take pride in honouring our dealers and distributors.








Case study

## Berger Glamour

The Berger Glamour initiative is a campaign launched to promote our premium, high gloss finish paint known for its mirror like shine. As part of this campaign, advertisements were displayed in various locations across India, including major cities in Assam, Odisha, and West Bengal.












Case study

## Print Campaign of Berger Paints

Berger Paints' Print Campaign extensively promotes our products, from glamorous textures and finishes to diverse waterproofing and damp-proofing solutions for homes. Through advertisements in prominent regional and national newspapers in various languages, we ensure engagement with people in every corner of the country.













Case study

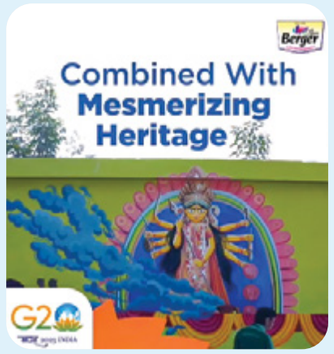
## G20 Summit

As India hosted the prestigious G20 summit, we helped bring the City of Joy to life as the proud paint partner for the event. Talented young artists transformed Kolkata's walls with vibrant murals, celebrating the city's traditions and heritage with stunning artwork and vivid colours.









## Social and relationship capital

# Subsidiaries and Joint Ventures

The trust cultivated over the years resonates throughout our stakeholder network, which has enabled us to build enduring partnerships with national and international companies. Our partners entrust us with delivering essential resources and regard us as dependable, long-term collaborators in achieving shared goals.



### Bolix S.A.

Bolix S.A specialises in Exterior Insulation Finishing System (EIFS) manufacturing and sales, offering a diverse range of products including acrylic, silicate, and mineral plasters, thermal insulation adhesives, mortars, and ready to use panels like finishing coat, wood effect, ribbed effect, concrete effect, 3D effect panels, and gel adhesive for ceramic tile flooring.













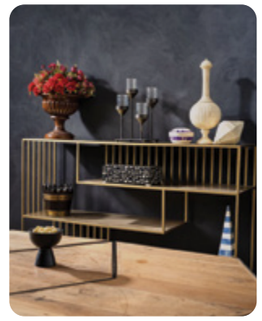

### SBL Specialty Coatings Private Limited (SBL)

SBL is a manufacturer of specialty industrial coatings, product range including PU, NC, Alkyd, TSA, Epoxy, Silicone, Zink Flake, TPA, Electro-phoretic, Water-borne, UV Curable, Anti-Bacterial, Polyester, Soft feel, Barrel Coatings. Under technical collaboration it is also into Non – PTFE ceramic coatings made from natural inorganic materials ensuring safety of human even at high temperatures.






















# Social and relationship capital

## Berger Rock Paints Private Limited (Berger Rock)

Berger Rock specialises in auto refinish products, offering top quality items at competitive prices. Berger Rock has grown by nearly 40% in the last year and is continuing this trajectory towards becoming one of the top three players in next 3 years.

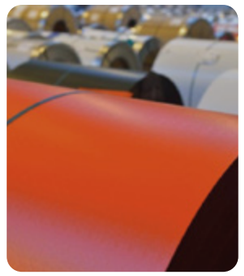





## Berger Becker Coatings Private Limited ('Berger Becker')

Revolutionising domestic appliances, Berger Becker Coatings India offers exquisite coil coating solutions that elevate aesthetics and ensure complete protection for cabinets and doors of refrigerators, washing machines, ovens, and more.





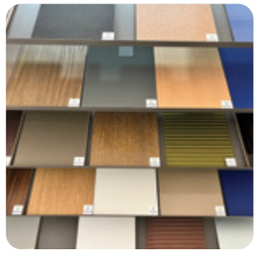


## Berger Hesse Wood Coatings Private Limited ('Berger Hesse')

Berger Hesse is renowned for its extensive range of wood coatings, including pigmented PU, UV coatings, and water-based wood coatings, among others in the major OEM segment.









## STP Limited

STP Limited is renowned for its prominent brands specialising in construction chemicals, flooring compounds, bitumen and coal tar-based products, sealants and adhesives, as well as protective and anti-corrosive coatings.



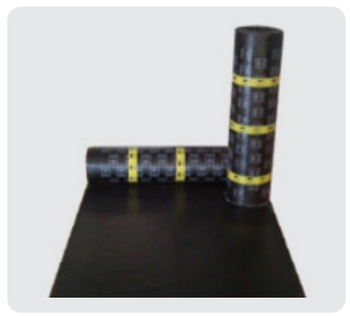






ShaliPrime PUM, ShaliSeal PSPG used at Atal Tunnel, Rohtang





SuperThermolay, APP waterproofing performed membrane for bridge decks










1. **Vadodara Kim Expressway** project which set a world record milestone for largest PQC laid by single paver machine at single location in 24 hours
2. ShaliSeal PU GG, A Single component polyurethane joint sealant
3. Admixtures & Curing Compounds for Airforce Runway Project

## Social and relationship capital

### Berger Jenson & Nicholson (Nepal) Private Limited ('BJN Nepal')

BJN Nepal specialises in the manufacturing and sale of construction chemicals, industrial, and decorative coatings within Nepal, where it holds a leading position in these segments.













### Berger Nippon Paint Automotive Coatings Private Limited ('BNPAC')

BNPAC supplies coatings for various vehicles, including four wheeler passenger cars and SUVs, three wheelers, and related ancillaries, as well as coatings for plastic automotive substrates.


















## British Paints division

Headquartered in New Delhi, British Paints services over 12,000 channel partners, OEMs, and institutional accounts nationwide, supported by four manufacturing locations and nearly 60 warehouses/ branch offices. British Paints offers a complete range of architectural coatings, general industrial coatings, and waterproofing solutions, solidifying its status as a leading player in the Indian paint market. The company prides itself on helping millions achieve happiness through colours, encapsulated in its campaign 'Har Ghar Muskuraye Jab Rang Gungunaye'. The company's goal is to provide best-in-class, superior value-for-money painting solutions across all segments.

### Factories at
















**Glamour Mystique Anti-Stain Inferior Emulsion**

Water-based acrylic emulsion offers high sheen, stain resistance, pleasant odor, excellent washability, levelling, and opacity for a long-lasting finish.




**TerraceMaster**

Durable acrylic coating with superior waterproofing and longevity for terraces, porches, and walls, preventing $CO_2$ and chloride penetration.




**Expa Cool Advanced Hi-Sheen Exterior Emulsion**

100% pure acrylic emulsion offers high-sheen, flexible finish with strong adhesion, protecting exterior walls from UV, fungi, and algae.




**Shingar Max Hi-Sheen Exterior Emulsion**

Acrylic copolymer with silicon protection offers excellent adhesion and high-sheen finish for exterior walls in dry to moderately humid climates.

### New products launched




**2 in 1 Smart Primer**




**Mystique**




**Damp Control**

## Social and relationship capital

# CSR approach

We initiated several programmes to enhance the quality of life for local communities. We prioritise skill development as a critical component for individual empowerment, entrusting people through our initiatives. Led by our CSR Committee, we oversee the planning, coordination, and implementation of all CSR activities, partnering with organisations to extend our impact and reach.

## CSR initiatives

### Education

We have prioritised the enhancement of schools in remote areas across India by undertaking initiatives such as painting the school buildings, establishing laboratories, and providing smart LED boards and chalkless boards, among others.



### Environment

Under our corporate environmental responsibility (CER), we have initiated various projects across India to promote ecosystem sustainability and aid in natural resource preservation. Through regular awareness campaigns in nearby societies and schools, we emphasise the importance of environmental conservation. Our teams in Jammu, Puducherry, and Jejuri conducted impactful cleanup drives, collecting over 300 kilograms of trash and promoting cleanliness and environmental awareness. Furthermore, our wholly owned subsidiary, viz Beepee Coatings Pvt. Ltd., Gujarat installed a water purifying system and treated water storage facility at R.M. Patel Primary School in Boriya Village, aligning with our commitment to sustainable environmental and health development. As part of our social responsibility, our team embarked on a mission to transform public spaces in two cities, raising awareness about the importance of cleanliness.

### Sanitation

We recognise the importance of a clean and hygienic environment for effective learning. To support this, we identify schools in need of sanitation improvements and provide the necessary infrastructure for clean drinking water facilities.

### Health

Health is one of the top priorities for us. We contributed with providing ambulances to blind homes and offering free dialysis services to underprivileged individuals.

### Addressing water scarcity

Our Jejuri plant addressed water scarcity by installing water ATMs with a capacity of 2,000 litres per hour at key locations, benefiting 2,000-2,200 residents and ensuring access to clean drinking water with zero wastage. Additionally, in collaboration with Jejuri Municipal Council, we provided 5,000 litres of drinking water tanks for pilgrims, supporting nearly 5,00,000 individuals during their stay.

### Ensuring clean water supply

The clean water we provided to the Public Health Centre's (PHC) labour ward has benefited many people. With a footfall of 500 people, all of them stand to benefit from our initiatives. The PHC supports our goal of ensuring access to safe drinking water for everyone by providing services to our personnel and other community members.



# iTrain

Since its launch in 2014, iTrain has provided high-quality certified training courses to painters. Our initiative aspires to cultivate a skilled workforce of painting service providers, arming them with the expertise needed for immediate employment opportunities. Through skill enhancement, iTrain empowers individuals to establish sustainable livelihoods, thereby enhancing their social status and positioning painting as an aspirational profession within the organised sector. We have equipped our iTrain centres with state-of-the-art facilities, including classrooms, audiovisual tools, practical training booths and mechanised equipment, to optimise the painting process for efficiency, speed, cleanliness and safety. Our certified and experienced trainers possess exceptional knowledge and technical competency, ensuring top-notch instruction. Additionally, all iTrain centres are affiliated with the Paints and Coating Skills Council, registered by the National Skills Development Council.

### 360 degree training modules

Our training modules encompass a comprehensive curriculum combining theoretical and practical knowledge and entrepreneurial and soft skills development. Trainees benefit from classroom instruction and hands on training in innovative techniques, including mechanised equipment. Berger Paints has been conducting Recognition of Prior Learning (RPL) assessment and certification and Short Term Training (STT) through Paints and Coatings Skill Council, which is recognised by NCVET as an Awarding Body. The successful candidates are awarded a certificate as per the template given by NCVET.

**12**

Training modules rolled out during FY 2023-24

### Mobile iTrain

To extend our reach to remote areas, we have introduced training programmes for painters in these regions, offering instruction in the latest methods and techniques. In 2017, we inaugurated our first Mobile iTrain facility in West Bengal.

We have a fleet of 23 Mobile iTrains criss crossing the country, covering nearly 1,000 small towns and villages and imparting training to novice and semi-skilled painters in the rural hinterland. Our mobile vans, equipped with essential training resources, enable us to extend our services to a broader audience. We are working towards expanding our Mobile iTrain network to cover various regions across the country.

**29**

Fixed iTrain centres

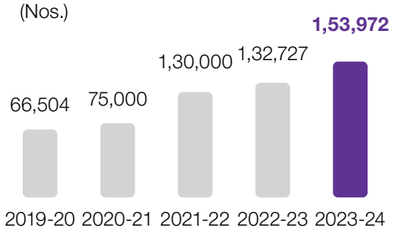
**23**

Mobile iTrain centres

**~10 Lakh**

People trained via our iTrain network since its inception

### Number of Participants trained through iTrain programme



# Social and relationship capital







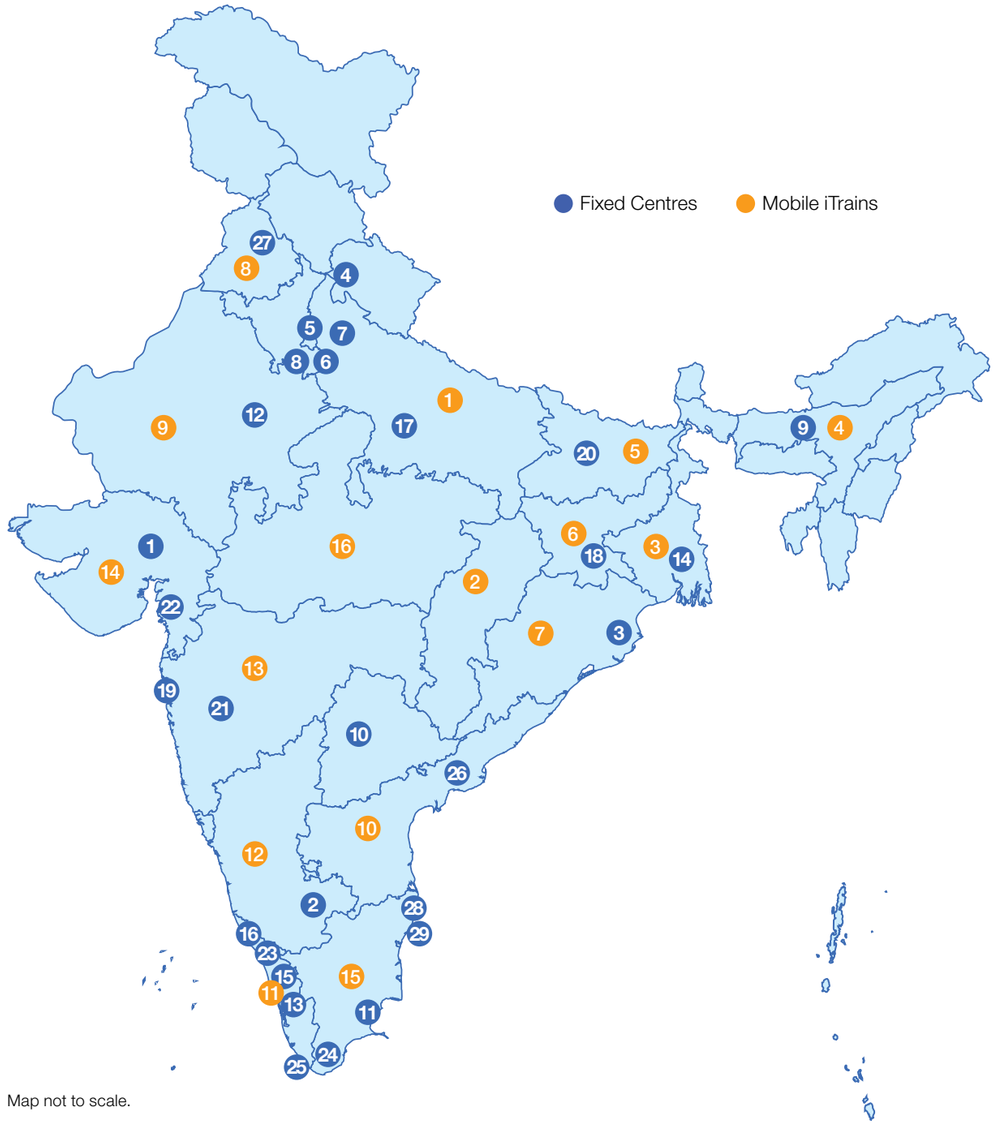




## Fixed Centres

1. Ahmedabad
2. Bengaluru
3. Bhubaneswar
4. Dehradun
5. Delhi
6. Faridabad
7. Ghaziabad
8. Gurgaon
9. Guwahati
10. Hyderabad
11. Trichy
12. Jaipur
13. Kochi
14. Kolkata
15. Kottayam
16. Kozhikode
17. Lucknow
18. Jamshedpur
19. Mumbai
20. Patna
21. Pune
22. Surat
23. Thrissur
24. Tirunelveli
25. Thiruvananthapuram
26. Vijayawada
27. Jallandhar
28. Chennai
29. Puducherry






Map not to scale.



## 23 Mobile iTrains present across 16 states

1. Uttar Pradesh
2. Chattisgarh
3. West Bengal
4. Assam
5. Bihar
6. Jharkhand
7. Odisha
8. Punjab
9. Rajasthan
10. Andhra Pradesh
11. Kerala
12. Karnataka
13. Maharashtra
14. Gujarat
15. Tamil Nadu
16. Madhya Pradesh

## Natural capital

# Greening our horizons

We take pride in our eco-tolerance, which highlights our ability to adapt to environmental changes. With growing concerns about the paint industry's impact on our planet, one thing is sure, we will stay committed to bringing colour dreams, weaving stories, and creating a canvas that connects with people across the globe while staying responsible for improving the environment around us.

### FY 2023-24 highlights

**19.59%**
Electricity generated from renewable energy

**49,149 KL**
Water recycled

**839 tonnes**
Waste recycled

"At our core, sustainability defines our identity as an organisation. We have set internal targets to guide our journey and continuously work towards meeting these targets. Our operations and initiatives cover a broad spectrum of sustainability efforts, from reducing emissions to promoting biodiversity."

**Rajesh Kumar Tiwari**
Vice President – Manufacturing

**Material topics impacted**

- Environmental compliance
- Business ethics, compliance and transparency

**Stakeholders impacted**

**Capitals linked**

**Strategies linked**

# Natural capital

## Overview

We recognise the long-term risks of climate change and have implemented various initiatives to mitigate them. Our exceptional environmental policy prioritises environmental protection and helps us to reduce our carbon footprint at every opportunity. We have also undertaken several initiatives across our manufacturing units, offices, depots, and warehouses with our environment monitoring plant (EMP) to improve our environmental performance. Our efforts in this regard have been recognised with several awards and accolades, affirming our dedication to improving the environment. Furthermore, our Company emphasises recycling, reuse, and material recovery, including solvents and water and repurposing washing solvents into new products. Our employees voluntarily undertake the responsibility of maintaining workplace cleanliness by removing disposables and scrap items. Our team ensures that each location is clean and environment-friendly and maintains proper hygiene and sanitation standards. Additionally, we monitor gas and dust emissions from process reactor vessels, mixed ball mills, and consolidated process reactor vessels to uphold environmental standards.



## Energy

We have implemented MES (manufacturing execution system) and EMS (energy management system) to capture data during product processing and monitor specific power consumption. All our manufacturing facilities contribute to reducing specific fuel and power consumption and tracking both total and specific consumptions daily.

### Energy conservation

We have invested in energy efficient machinery and technologies across our manufacturing facilities which include upgrading to high efficiency motors, installing LED lighting systems, and optimising heating, ventilation, and air conditioning (HVAC) systems. We have optimised our manufacturing processes to minimise energy usage and enhance efficiency. Some of our initiatives include implementing energy management systems and conducting regular energy audits to identify areas for improvement. Various energy saving measures have been implemented, including the installation of automatic timers. Variable frequency drives (VFDs) and lightweight blades in cooling towers also help reduce energy consumption. Moreover, the adopting photo sensors and streetlight timers has contributed to energy savings.

### Renewable energy

Our Company is reducing emissions by implementing emission reduction projects, including installing rooftop solar power, which has resulted in significant reductions in greenhouse gas (GHG). To further reduce our reliance on conventional fossil fuels, our plants have transitioned to alternate biofuels, with a bio-briquette facility installed to meet process requirements. This shift contributes to the overall reduction of conventional fuel consumption and emissions per kilogram. Additionally, we are installing waste heat recovery systems (WHRS) to utilise redundant heat from thermic fluids and flue gas, providing heating and evaporating water in zero liquid discharge (ZLD) plants and heating process water, thereby eliminating the need for steam boilers.

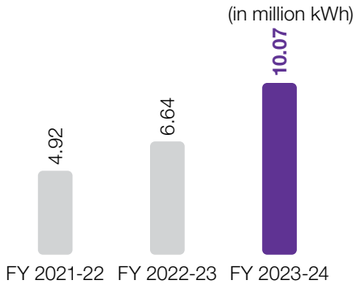
**22%**

Increase in renewable energy use out of total energy use during FY 2023-24

**552.95 MJ/KL-MT**

Total energy intensity

**Renewable energy generated**








## Emissions

We have initiated emission reduction projects to diversify our energy sources further. By increasing our reliance on renewable energy and other non-conventional sources, we are also effectively reducing our greenhouse gas emissions. We manage gas and dust emissions from process reactor vessels, mixers, ball mills and consolidated process reactor vessels through several measures. During charging, we deploy dust collection and fine particle filtration systems to capture particulate matter, ensuring we only release clean air into the atmosphere. Additionally, stacks of adequate height are installed to prevent air pollution, complemented by dust and fume extraction systems, closed loop charging, bag filters, and cyclone separators to control fugitive emissions. We have also established bio-briquette plants at our facilities, utilising briquettes/ pellets made from materials like cashew nut shells, groundnut shells, and sugarcane bagasse for heating purposes. Using clean and green biofuel in our heating operations has significantly contributed to keeping our carbon dioxide emissions lower than conventional high speed diesel (HSD) fuel. We submit half-yearly compliance reports to respective State Pollution Control Boards (SPCBs), accompanied by environmental quality monitoring test reports. Moreover, we install 24x7 continuous emission monitoring systems at process stacks to monitor emissions in real time, ensuring compliance with standards outlined in the Environment (Protection) Rules, 1986, and SPCB and Central Pollution Control Board (CPCB) guidelines. We get these systems periodically calibrated by labs recognised under the Environment (Protection) Act, 1986, or accredited by the National Accreditation Board for Testing and Calibration Laboratories (NABL), as per equipment supplier specifications.

# Natural capital

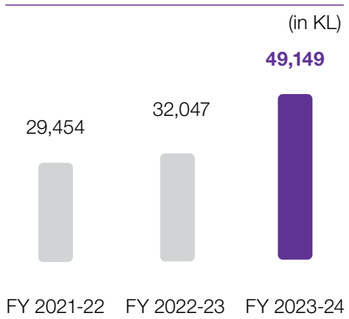
## Water

We are working towards a water positive future by minimising water usage and waste. Water management is a priority for us, and we employ modern mechanisms to support this goal.

### Wastewater management

We have effluent treatment plants (ETPs) and zero liquid discharge (ZLD) systems installed at our facilities. We ensure that treated water from our ETPs meets PCB recommendations before releasing it. To promote water recycling and reduce consumption, we have installed zero liquid discharge (ZLD) systems at applicable units, comprising various filtration units, RO modules and multiple effect evaporators (MEE). Effluent water treated by the ETPs undergoes ZLD treatment for reuse in domestic and industrial applications. Additionally, our ZLD plants ensure treated effluent reuse through UFRO units, with rejected water processed by MEE units to convert waste to salt, preventing water discharge outside the plants. Our team continuously works to modernise our ZLD operations, installing modern, compact ETP setups to enhance efficiency.

### Water recycled






### Effective water management at our plants

Our plants have installed digital water flowmeters to track daily water usage and reduce water consumption and loss. The implementation of Project JAL across all our plants is a corporate initiative aimed at curbing water wastage through measures such as reusing water, fixing leakages and raising awareness about water conservation. Through this project we have successfully decreased the water consumption intensity across all our factories located in water stressed zone. Additionally, washing water from mixers and twin shaft dispersers is collected and stored in vessels on the shop floor for reuse in subsequent batches, decreasing reliance on freshwater sources. Furthermore, our plants have transitioned to robust automatic filling machines to minimise spillage during operations. Staff and employees undergo educational sessions on water conservation, supported by posters displayed in and around the plant to promote behavioural changes.

**53%**
Increase in water recycling and reuse compared to FY 2022-23

**12%**
Out of total water consumed is recycled

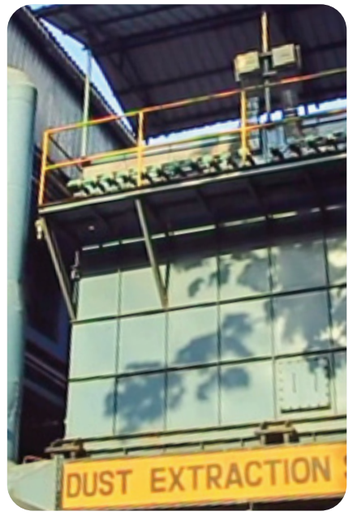
**0.56 KL/KL-MT**
Total water intensity

## Waste

We have initiated a project called 'War on Waste,' which focuses on the 4R principles: reduce, reuse, recycle, and recreate. This project aims to minimise waste at every possible source throughout our manufacturing operations. We utilise our monitoring systems to reuse any reusable materials. As a result of these efforts, we have successfully decreased waste generation at our plants despite improving our overall production.






### Minimising different types of wastes

**Washing solvent**

We reuse washing solvent from equipment cleaning in subsequent production batches, repurposing spent solvent for cleaning and recovering fresh solvent in-house through distillation from waste solvent, which we then recycle into paint manufacturing. Our '19th Barrel Syndrome' project limits washing solvent generation, ensuring reuse within the first 18 barrels, while we reuse barrels used for production and storage to reduce our carbon footprint.

**Plastic waste**

We send plastic waste from raw material packaging and damaged packaging material to an authorised plastic recycler, adhering to Plastic Waste Management Rules. We have established an action plan in compliance with our extended producer responsibility (EPR) obligations and work with several waste management agencies (WMAs) for recycling. Additionally, we incorporate recycled plastic into our product packaging to reduce the use of virgin plastic.

**Other wastes**

Waste generated inside the plant is collected and disposed of through approved cement plants for co-processing. We also collect powder from the dust extraction system, which is then reused to make high quality and affordable products.

# Natural capital

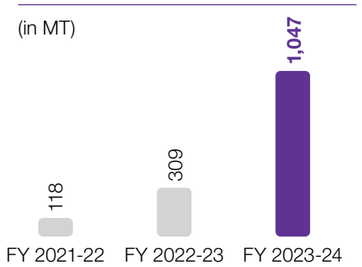



## Waste management

In addition to the waste reduction and reuse strategies, we have implemented various initiatives, including reducing packaging, using recycled materials, and promoting waste reduction among employees. We have established recycling programmes for paper, plastic, and container segregation, ensuring optimal utilisation. These efforts reduce our environmental impact and ensure the safety and sustainability of our products and processes. All waste generated on site is disposed off through authorised recyclers, CHTSDF, or co-processors, with proper documentation such as TREM cards and manifest documents for hazardous waste disposal. We send biomedical waste to authorised common biomedical waste disposal facilities or nearby hospitals with disposal facilities. Kitchen/canteen wastes, other biodegradable wastes and STP sludge are sent for vermicomposting and reused as manure. We sell recyclable waste to scrap vendors and safe operating procedures are followed for shifting empty drums and carboys from the plant to the hazardous scrap yard and for final disposal to an authorised scrap dealer, with personnel wearing appropriate PPE throughout the decontamination process. During the consumption of raw materials on the shop floor, we maximise material usage in the process, with contaminated raw material barrels moved to the barrel decontamination facility inside the plant, where appropriate controls are in place to prevent spillage or leakage.

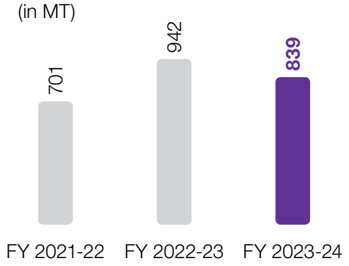
### Waste reused

(in MT)




### Waste recycled

(in MT)




## Controlling discharge at our factories

Our teams have diligently worked to ensure each location is clean and environment friendly, prioritising hygiene and sanitation. Our employees voluntarily take responsibility for maintaining cleanliness by removing disposables and scrap items from their workplaces. To address gas and dust emissions from process reactor vessels, mixers, ball mills, and other equipment, we have installed dust collection and fine particle filtration systems during charging, ensuring we discharge only clean air into the atmosphere. Additionally, we have implemented measures such as installing stacks of adequate height, dust and fume extraction systems, closed loop charging, bag filters, and cyclone separators to mitigate fugitive emissions into the air. We submit half yearly compliance reports to respective State Pollution Control Boards (SPCBs) and environmental quality monitoring test reports. Furthermore, we have installed 24x7 continuous emission monitoring systems at process stacks to monitor stack emissions per standards prescribed by the Environment (Protection) Rules, 1986, and calibrated these systems as per supplier specifications through labs recognised under the Environment (Protection) Act, 1986, or NABL accredited laboratories.



## Hazardous waste management

Various hazardous waste types and categories are either recycled and utilised in-house, co-processed or disposed of through authorised recyclers or common hazardous waste treatment, storage and disposal facilities. We undertake measures to minimise manual handling, with solid/hazardous waste collected and temporarily stored in designated hazardous waste storage areas within the plant in compliance with Hazardous Waste Management Rules. We properly handle and store solid waste using closed containers with suitable lining and bunding to prevent spillage and contamination of surroundings and soil. All waste is handled with proper personal protective equipment (PPE) to ensure the safety of individuals working with solid waste. Waste is transported in drums and high density polyethylene bags to the solid and hazardous waste storage location, with dedusting machines used to recover residual powder in bags.

**1,525+ KL**

↑ 45% y-o-y growth of Washing solvent recovered in FY 2023-24

**83+ MT**

↑ 35% y-o-y growth of Powder RM recovered in FY 2023-24

## Environment

We work towards ecological protection and prevention and have drafted a robust environmental policy. Across our manufacturing units, offices, depots, and warehouses, we continually enhance environmental performance through initiatives outlined in our environment monitoring plan (EMP). We conduct impact studies for all activities, working towards minimising waste and transitioning to green energy. Implementing an environmental management system (EMS) has facilitated improved monitoring and management of electrical consumption, while our ongoing focus on resource optimisation includes recycling and reuse practices.

# Natural capital

## Creating greener landscapes across our facilities

We conduct awareness campaigns to educate the public and their stakeholders about the importance of plantation and environmental conservation. These campaigns often highlight the benefits of trees in combating climate change and preserving biodiversity. Engagement with local communities is a key aspect of Berger Paints' plantation initiatives. By involving communities in tree planting and nurturing activities, our Company fosters a sense of ownership and responsibility towards the environment. We have undertaken several initiatives to improve greenery across our factories.

### Puducherry unit

At our Puducherry unit, we have enhanced the green belt by 20% through by planting over 1,000 trees. We have also removed invasive species that adversely affected native trees and maintained a pond within the plant premises to support ecosystem sustainability efforts.



### Jejuri unit

At our Jejuri unit, our team has planted 2,700 plants, which has now increased to 3,850 plants using the Miyawaki Method. We have focused on planting medicinal species such as False daisy, Mexican mint, and Alpinia, along with native trees and shrubs within the plant premises.



### Sandila unit

In alignment with our Company's broader sustainability goals, we have planted 7,500 indigenous saplings using the Miyawaki plantation method at our newly established Sandila plant. This initiative builds on a strong legacy of environmental consciousness that has been a hallmark across our other plants.





### Naltali unit

Over the years, we have undertaken several eco-friendly practices across our plants. One such plant is our Naltali plant which has drastically improved in terms of biodiversity through the plantation of many palm trees along with other types of plants.



### Jammu unit

At our Jammu unit, we have maintained a green cover within the premises, featuring over 240 trees alongside floral shrubs and flowerpots in our green belt areas, showcasing a variety of species. As part of our sustainability efforts, we have planted 230 plants in cut barrels to reuse plastic and utilised rooftop space for plantations covering an area of around 3,900 square metres. We have also developed a green belt area outside our factory premises, planting over 300 chinar trees along the banks of the Basantar river.



### Hindupur unit

At our state-of-the-art Hindupur Unit, we have dedicated 40% of the land to green belt areas, with ongoing tree plantation activities resulting in planting over 1,000 trees in a year. The green belt area features various trees, including Gulmohar, Silver Oak, Coconut, Papaya, Banyan, Jackfruit, Custard Apple, Almond, and Teakwood.



### Goa unit

To promote green working environment, our units have inculcated the culture of placing plants inside the control rooms and offices, Vertical Gardening. Shop floor is maintained with low VOC emission so as to sustain the growth of these plants and indicate the healthiness of working area.



# Natural capital

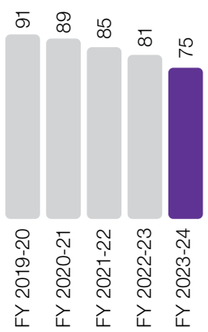
## Our commitment to sustainability

Sustainability has always been an integral part of our Company and we strive to integrate it across all our operations. We have implemented numerous initiatives to improve across various sustainability parameters. Furthermore, our factories have integrated management systems under ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018.

### Incredible improvements across operational and environmental parameters

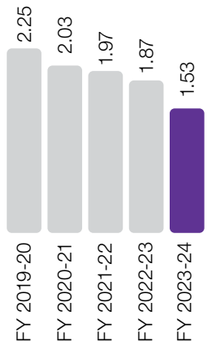
**Specific power consumption***

(in kWh/KL-MT)



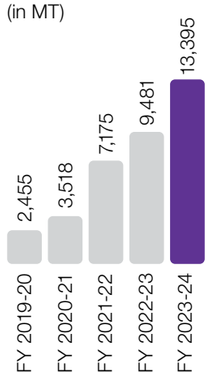

**Specific fuel cost***

(in ₹/Kg)




**Carbon footprint savings***

(in MT)




### Our focus on solar power

**9 MW**
Total capacity

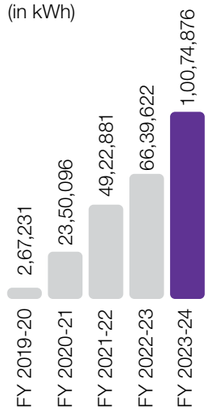
**₹ 2.76 Cr**
Incremental savings in FY 2023-24

**₹ 8.53 Cr**
Total savings in FY 2023-24

**7,213.6 MT**
Of $CO_2$ emissions reduced through Roof Top Solar Power plant in FY 2023-24

**Solar power generation**

(in kWh)

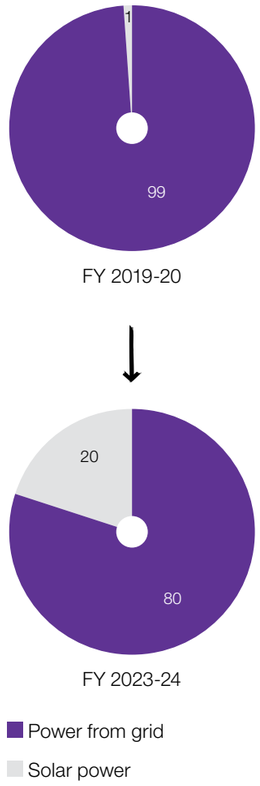



*The value for FY 2023-24 is without Sandila Plant as it was commissioned in Feb 2023 and was under stabilisation in FY 2023-24



**Share of solar power usage**

(%)



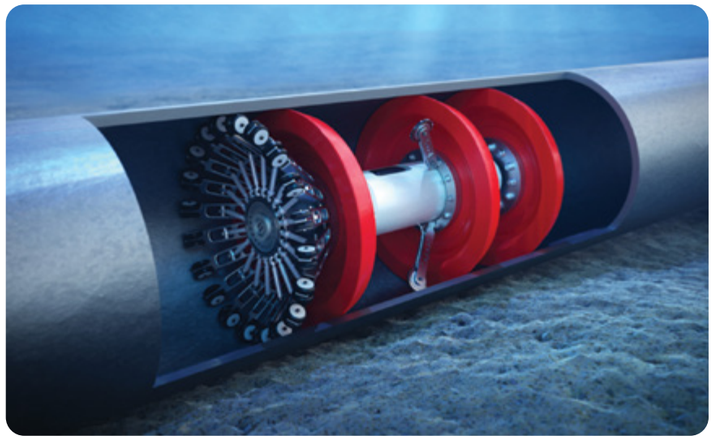

## Sustainability initiatives

### Project JAL

The project was initiated almost two years ago, and it focuses on recognising the limitations of water resources and exploring all avenues within our operations to reduce water intake, improve recycling and reuse, promote rainwater harvesting, and employ water-efficient technologies in manufacturing processes. Additionally, it aims to raise awareness among our employees and the wider community about the importance of water conservation. We have monitored groundwater intake across all our plants and strategically planned to reduce it.

A particularly innovative measure in our operations involves implementing pigging technology in our paint production facility to optimise the pipeline cleaning process. This technology allows for the removal of residual paint from pipelines, reducing waste and minimising downtime between colour changes. Consequently, pigging reduces the need for excessive water flushing, leading to cost savings in both materials and waste disposal. Furthermore, it aligns with environmental regulations by minimising water usage.

**3.20 Lakh litres**
Of water saved daily through Project JAL



Pigging for proper cleaning of transfer lines is employed

# Natural capital

## Green Sewage Treatment Plant (STP)

The Green (STP) implemented by us is an innovative and eco-friendly solution designed to treat and manage wastewater. The STP utilises advanced treatment technologies to efficiently process sewage and convert it into reusable water. The system incorporates biological treatment methods, including activated sludge processes and natural filtration techniques, to ensure high-quality effluent output. The treated water is then used for non-potable purposes within the facility, such as gardening, cooling systems, and cleaning operations. Remarkably, this technology operates without the need for machinery, chemicals, manpower, or electricity. From just one unit, we achieve the purification of 15 Lakhs litres of sewage water per year.




## Project Clean to Green

Our pursuit of operational excellence in production processes is driven by our commitment to optimising efficiency and quality while upholding responsible and ethical corporate conduct, particularly in the realms of Environmental, Social, and Governance (ESG) and sustainability. This commitment is spearheaded by our Manufacturing Excellence department, which focuses on integrating ESG principles into our production processes to minimise negative impacts and generate long-term value for our stakeholders. Recognising the substantial impact manufacturing has on global sustainability concerns, we have taken significant measures to ensure our operations are environment friendly.

We have implemented the “War on Waste – Sanchayan” project across all our plants. This project follows the 4R principles (Reduce, Reuse, Recycle, Recreate), aiming to reduce waste at the source, recover sticky losses, reuse powder raw materials in batches through de-dusting RM bags, and recreate usable raw materials from waste. We have established a system to monitor these processes, ensuring that no reusable material is discarded as waste.

**83,900 kg+**

Powder RM recovered out of which 15,800+ kg of TiO2/Rutile recovered



Initial weighing of Empty-Barrel at shop floor



Decantation in case of retention more than permissible limits



Weighing after decantation and then the barrel is sent for re-use



Collection of powder in bags & use as appropriate in selected batches after sieving



Powder RM recovery



Collection of Empty RM bags



De-dusting and Powder Recovery



Bale press compacting for RM bags

The Empty Powder bags after dosing are being De-dusted to extract the left over RM inside the bags. After extracting, the empty bags are compressed and tied in Bundles through the Bale press machine which is be directly sent to authorised recycler/disposal.

We have transitioned to using automatic machines for filling operations at all our plants, significantly reducing the chance of spillage. This shift also prevents excess or insufficient filling, which could lead to product rejection due to shade mismatches. We focus on defect prevention through the implementation of Right First Time (RFT) principles to minimise process waste generation. Additionally, washing solvent generated from cleaning equipment is reused in subsequent production batches. Spent solvent is repurposed for cleaning purposes, and after multiple uses, fresh solvent is recovered from waste solvent through an in-house distillation process, which is then recycled back into paint manufacturing activities. Through the "19$^{th}$ barrel syndrome" project, we limit the generation of washing solvent so that it is reused within 18 barrels.

Barrels used for production and storage are reused, further contributing to our carbon footprint reduction efforts. Plastic waste from raw material packaging and damaged packaging materials is sent to authorised plastic recyclers. Various initiatives such as yield improvement, excess give-away reduction, base tinting Kaizen, green solvent usage, and rutile recovery have significantly contributed to waste reduction. These measures not only enhance operational efficiency but also reinforce our commitment to sustainable practices and environmental stewardship.

# Natural capital

## Green energy transition

Thermic Fluid Heaters, previously run on diesel, now utilise biofuel-fired alternatives such as ground nut pellets, cashew nut pellets, sugarcane bagasse, bamboo pellets, dry mango seeds, and rice husks. This transition has significantly reduced our carbon footprint and greenhouse gas emissions. Berger has implemented a large-scale shift to alternative fuels like bio briquettes, replacing conventional SOx and NOx generating fuels. Additionally, the installation of rooftop solar power plants has significantly reduced our reliance on grid electricity.

Our project building infrastructures are designed to maximise daylight on the shop floor by installing skylights, thereby reducing electricity usage during the day. We are committed to educating our workforce on environmental protection initiatives, with management leading by example. We organise inter-unit Kaizen competitions and promote horizontal deployment by engaging our employees' skills in various fields such as quality, safety, engineering, production, cost savings, morale, and housekeeping improvement across our manufacturing plants and offices. Environmental-friendly initiatives are rewarded and recognised, further encouraging sustainable practices.













Energy-efficient LED lights for indoor and outdoor lighting have been installed in all our plants. Timers have been placed on key machines to eliminate unnecessary running hours. Variable Frequency Drives (VFDs) have been installed on all high-power-consuming machines, resulting in significant energy savings. Automatic operation (switching on/off) of the cooling tower fans has been implemented, and lightweight blades are now used in cooling towers to reduce energy consumption. We have developed uniform pressure distribution in the compressed air lines. Additionally, photo sensors and timers are being used in streetlights to minimise unnecessary running hours, further contributing to energy savings.



## Reducing batch cycle time

We have undertaken various initiatives to reduce batch cycle time in paint and intermediate manufacturing such as

- Change in grinding media to improve the efficiency of ball mill.
- Replaced conventional ball mills with basket mills for manufacturing specific shades, reducing grinding time by 18-20 hours and achieving savings in manpower, washing solvent, and electricity consumption. This drastically decreases steel ball consumption, saving 70 kWh per batch.
- Installation of timer-based automatic control for running/ stoppage.
- Automatic Timers control switch for TSD with PLC Programming setup for controlling operational time for each batch, saving approximately 42 kWh per batch.



# Natural capital

## Stree Shakti

We champion women's empowerment and firmly believe in their ability to excel in traditionally male-dominated roles. Several years ago, we launched the "Stree Shakti" initiative to create a supportive environment for female employees across our manufacturing facilities. This initiative has enabled women to take on roles in production lines, quality control, administration, and various other sectors based on their skills and capabilities, breaking free from traditional gender stereotypes.

Today, our workforce is strong and diverse, with women leading entire sections such as the Wood Coating Filling and Planning in Jejuri, the Filling section in Pondicherry, and the Colorant & Stainers production and filling section in Sandila. In our other plants, women contribute significantly across quality control, filling, HR and administration, finance, security, and housekeeping, consistently exceeding their key performance indicators (KPIs) and demonstrating exceptional capabilities. To further enhance gender diversity and challenge stereotypes in manufacturing, we offer a dynamic, supportive, and inclusive work environment tailored to the needs of our female employees and prospective candidates.







## My Area My Pride (MAMP)

Our MAMP (My Area My Pride) initiatives align closely with the 'Swachh Bharat' campaign initiated by the honourable Prime Minister of India. We are committed to fostering a cleaner and greener environment. Our organisation not only promotes recycling and reuse but also emphasises the recovery of materials, including solvents and water, to create new products. Additionally, we have implemented various waste reduction strategies such as minimising packaging, using recycled materials, and encouraging our employees to reduce waste generation.







## Other technological improvements

Various technologies including MES, EMS, and HMI automation are utilised to capture data during product processing and monitor specific power consumption across manufacturing facilities. These efforts aim to reduce fuel and power consumption by tracking both total and specific usage daily.





In our latest plants, operations are fully equipped with modern equipment and technology. Most processes are highly automated and controlled via DCS (Distributed Control System). We employ a pneumatic powder handling system with silos for powder raw materials, while liquid raw materials are stored in tanks and pumped automatically under DCS control. A Pigging System ensures pipelines remain clear of liquids, and finished products are handled by fully automatic filling lines and robotic palletisers. Pallets are then automatically transferred to ASRS (Automatic Storage and Retrieval System) for storage and dispatch.



To enhance environmental safety and efficiency, our plants have implemented closed-loop systems such as Sand mills, SILO-based charging, bag slitting machines, and automated liquid chemical charging. These initiatives significantly reduce spillage, leakage risks, and VOC emissions. In pursuit of a dust-free workplace, our Powder Charging operations have transitioned to closed-loop automatic charging using a Pneumatic Powder handling system, complemented by the adoption of bag slitting machines.





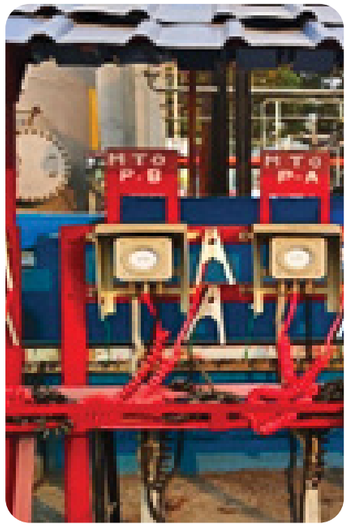
Automatic Fire Suppressors using polyamide tubes have replaced conventional cylinders in Electrical Panels, LT Rooms, and MCC panel Rooms, offering clean and zero ODS gas for fire suppression.



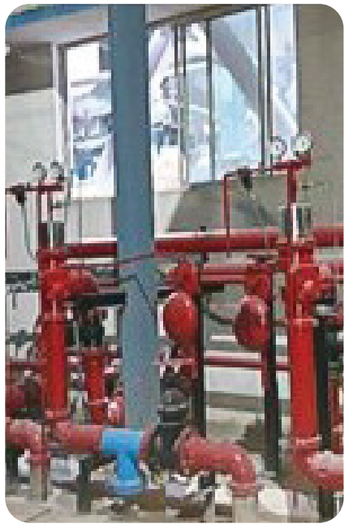




# Natural capital





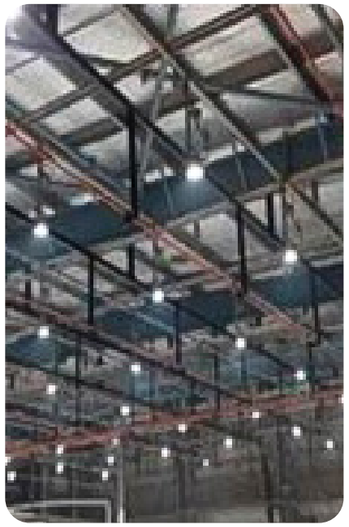





Earth Rite Relay System automation has been implemented across all manufacturing locations to automate solvent unloading, ensuring foolproof safety throughout the tanker unloading process.



Introduced Automatic Foam Sprinkler & QBD Sprinkler across our units.



We have commissioned a modern fire protection system at our units, incorporating foam sprinkler assemblies connected to SCADA for alert notifications and remote operation during emergencies.









High-end automation and robotics have been implemented in our factories to eliminate human errors and enhance workplace safety. Interlocks integrated into the Distributed Control System (DCS) and field instruments further mitigate risks related to safety and quality, ensuring robust operational control.




Our filling machines now feature an Auto Data logger facility activated through IoT, with all accumulated data displayed on local dashboards and monitored in real-time centrally. This setup aids in generating weight records, calculating process performance metrics, and visualising data through graphs. It prevents overfilling beyond tolerance limits by triggering alarms and halting operations until corrected, ensures compliance with legal metrology standards, maintains uniformity in base material weights for accurate shade tinting, and enhances overall product safety through automatic control mechanisms.







We have installed fully automatic integrated paint processing facilities and filling lines to enhance productivity and minimise manual interventions.

## Natural capital




We are transitioning towards Zero-Liquid Discharge (ZLD) facilities across all our units to treat and recycle maximum wastewater, eliminating effluent discharge from our plant premises. The permeate water from the ZLD plant is utilised for utility services, industrial cooling, and recycling purposes.




OEMS (Online Effluent Management System), compliant with CPCB guidelines, will be implemented in our upcoming project to monitor real-time effluent quality indicators like BOD, COD, TSS, pH, etc., with continuous recording. Any deviations beyond acceptable limits will trigger mobile alerts to the concerned personnel, ensuring prompt action and compliance.

Environment + Health + Safety
Caring Minds

### Safe 24

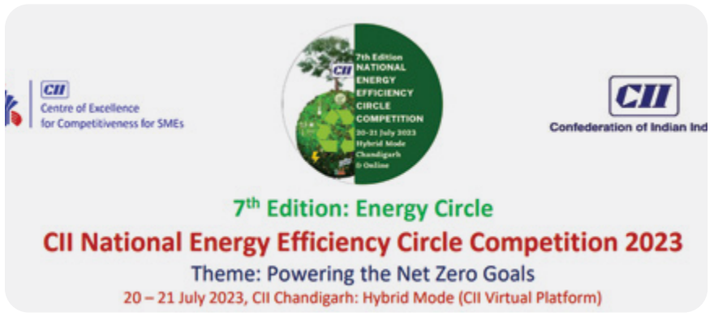
Berger Paints has launched SAFE 24, a new safety initiative aimed at enhancing safety culture across all business segments. This initiative involves playing short safety videos from an online library at the start of every internal meeting, both offline and online.



## Awards and accolades




Naltali plant won the state championship at 16th CII Encon Awards 2023




Beepee Coatings Pvt. Ltd. declared Winner in National level Energy Efficiency Circle Competition organised by CII.




We won the Sustainability Leaders Award by Ms. Hulladek Recycling recognising our organisation's contribution to the environment and role in sustainable e-waste recycling.




Jejuri Unit has been awarded 90% EHS compliance award. This has been awarded by M/s Gabriel after auditing our facilities.




CSO 100 Awards' by IDG (International Data Group) recognises the excellence in security practices.




Jejuri unit declared winner in 4th Green Urja & Energy efficiency Awards.

# Corporate Information

### Audit Committee
Mrs. Sonu Halan Bhasin (Chairperson)
Mr. Gurbachan Singh Dhingra
Mr. Naresh Gujral
Dr. Anoop Kumar Mittal
Mr. Gopal Krishna Pillai
Mr. Subir Bose

### Business Process & Risk Management Committee
Mr. Gurbachan Singh Dhingra (Chairman)
Mr. Abhijit Roy
Mr. Anoop Hoon
Ms. Rishma Kaur
Mr. Kanwardip Singh Dhingra
Mr. Subir Bose
Mr. Anil Bhalla
Mr. Kaushik Ghosh

### Corporate Social Responsibility Committee
Mr. Kuldip Singh Dhingra (Chairman)
Mr. Abhijit Roy
Ms. Rishma Kaur
Mr. Kanwardip Singh Dhingra
Dr Anoop Kumar Mittal
Mr. Subir Bose
Mr. Anil Bhalla
Mr. Kaushik Ghosh
Mr. Arunito Ganguly

### Compensation & Nomination & Remuneration Committee
Mr. Anoop Hoon (Chairman)
Mr. Kuldip Singh Dhingra
Dr. Anoop Kumar Mittal
Mr. Gopal Krishna Pillai
Mr. Subir Bose

### Stakeholders' Relationship & Investor Grievance Committee
Mr. Gurbachan Singh Dhingra (Chairman)
Mr. Abhijit Roy
Mr. Anoop Hoon
Mr. Subir Bose

### Share Transfer Committee
Mr. Abhijit Roy (Chairman)
Mr. Anoop Hoon
Mr. Kaushik Ghosh
Mr. Arunito Ganguly

### Key Managerial Personnel
**Mr. Abhijit Roy**
(Managing Director & Chief Executive Officer)

**Mr. Kaushik Ghosh**
(Chief Financial Officer)

**Mr. Arunito Ganguly**
(Vice President & Company Secretary)

### Registered Office
Berger House, 129 Park Street,
Kolkata – 700017
**Phone:** 033 2229 9724-28
**Fax:** 033 2227 7288

### Corporate Website
www.bergerpaints.com

**Feedback**
consumerfeedback@bergerindia.com

**CIN:** L51434WB1923PLC004793

### Statutory Auditor
S R Batliboi & Co. LLP
22, Camac Street, Block B, 3rd Floor,
Kolkata – 700016

### Cost Auditors
- N. Radhakrishnan & Co.,
  11A Dover Lane, Flat B 1/34,
  Kolkata – 700029
- Shome & Banerjee
  5A, Nurulla Doctor Lane (West Range), 2nd floor, Kolkata – 700017

### Secretarial Auditor
Anjan Kumar Roy & Co.
Company Secretaries,
GR 1, Gouri Bhaban, 28A, Gurupada Halder Road, Kolkata – 700026

### Consortium Banks
- Standard Chartered Bank
- HSBC Ltd.
- HDFC Bank Ltd.
- ICICI Bank Ltd.
- State Bank of India
- Kotak Mahindra Bank Ltd.
- Axis Bank Ltd.
- DBS Bank Ltd.
- Yes Bank Ltd.
- BNP Paribas
- IndusInd Bank Ltd.
- Federal Bank Ltd.
- RBL Bank Ltd.
- The South Indian Bank Limited

### Investor Service Centre
Registrar & Share Transfer Agent
C B Management Services (P) Ltd.
P-22 Bondel Road,
Kolkata – 700019
**Phone:** 033 4011 6700
**Fax:** 033 4011 6739
**Email:** rta@cbmsl.com

### Secretarial Department
**Berger Paints India Limited**
129 Park Street,
Kolkata – 700017
**Telephone:** 033 2229 9724-28
**Fax:** 033 2227 7288





# Berger Paints India Limited

(CIN: L51434WB1923PLC004793)
Registered Office: Berger House, 129, Park Street, Kolkata 700 017
Phone Nos.: 91 33 2229 9724 - 28; Fax No.: 91 33 2227 7288
Website: www.bergerpaints.com
E-mail: consumerfeedback@bergerindia.com

## Notice

Notice is hereby given that the 100th Annual General Meeting of Berger Paints India Limited will be held on Monday, 12th August, 2024 at 11 a.m. (IST) through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM") to transact the following businesses:-

### Ordinary Business:

To consider and, if thought fit, to pass, the following resolutions as **Ordinary Resolutions**:

1. "**RESOLVED THAT** the audited financial statements (including the audited consolidated financial statements) for the financial year ended 31st March, 2024, the Report of the Board of Directors along with relevant Annexures and that of the Statutory Auditors be and are hereby received, considered and adopted."

2. "**RESOLVED THAT** a dividend of ₹3.50 (350%) per share on the paid up equity shares of ₹1/- each of the Company for the financial year ended 31st March, 2024, be and is hereby declared to be paid to those Members holding shares in physical form and whose names appear in the Register of Members on 12th August, 2024 and holding shares in electronic form, to those whose names appear in the list of beneficial holders furnished by the respective Depositories as at the end of business hours on 5th August, 2024."

To consider and, if thought fit, to pass, the following resolutions as **Special Resolutions**:

3. "**RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013 and the rules related thereto read with Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any statutory modification(s)/amendment(s)/re-enactment(s) thereto], Mr Kuldip Singh Dhingra (DIN: 00048406) who retires by rotation at this meeting and who has attained the age of 75 (seventy five) years and being eligible, has offered himself for reappointment, be and is hereby re-appointed as a Director of the Company (Category: Non-Executive, Non-Independent), liable to retire by rotation."

4. "**RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013 and the rules related thereto read with Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any statutory modification(s)/amendment(s)/re-enactment(s) thereto], Mr Gurbachan Singh Dhingra (DIN: 00048465) who retires by rotation at this meeting and who will attain the age of 75 (seventy five) years on 9th April, 2025 and being eligible, has offered himself for reappointment, be and is hereby re-appointed as a Director of the Company (Non-Executive, Non-Independent), liable to retire by rotation."

### Special Business:

To consider and, if thought fit, to pass, the following resolution as a **Special Resolution**:

5. "**RESOLVED THAT** pursuant to the provisions of Regulation 17 (1D) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 152 and other applicable provisions [including any statutory modification(s)/amendment(s)/re-enactment(s) thereto] of the Companies Act, 2013 ("the Act"), and the rules and regulations framed there under and subject to the Articles of Association of the Company, the consent of the Members of

## Notice (Contd.)

the Company be and is hereby accorded to re-designate Ms Rishma Kaur (DIN: 00043154), Director of the Company, from Executive, Non-Independent Director to Non-Executive, Non-Independent Director, liable to retire by rotation, with effect from 3rd August, 2024.

**RESOLVED FURTHER THAT** as Non-Executive, Non-Independent Director, Ms Rishma Kaur be paid commission on net profit as may be decided by the Board of Directors of the Company which may exceed fifty percent of the total annual commission on net profit payable/paid to all Non-Executive Directors of the Company but not exceeding the overall limits of commission on net profit as stipulated vide the provisions of Section 197(1) of the Act and as approved by the shareholders of the Company, from time-to-time.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all acts, deeds and things and execute all such documents, instruments and writings, as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or to any director or to any employee of the Company to give effect to the aforesaid resolution including signing and making the necessary filings with any regulatory and governmental authorities including the Registrar of Companies, entering the necessary particulars in the statutory registers and other records of the Company (and any consequential entries and modifications).

**RESOLVED FURTHER THAT** any action(s) taken by the Board or Committee(s) thereof, any Director(s) or officer(s) or any other authorised signatory/ies of the Company in connection with any matter(s) referred to or contemplated in the foregoing resolutions be and are hereby also approved, ratified and confirmed in all respects."

To consider and, if thought fit, to pass, the following resolution as a **Special Resolution**:

6. "**RESOLVED THAT** pursuant to the provisions of Regulation 17 (1D) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 152 and other applicable provisions [including any statutory modification(s)/amendment(s)/re-enactment(s) thereto] of the Companies Act, 2013 ("the Act"), and the rules and regulations framed there under and subject to the Articles of Association of the Company, the consent of the Members of the Company be and is hereby accorded to re-designate Mr Kanwardip Singh Dhingra (DIN: 02696670), Director of the Company, from Executive, Non-Independent Director to Non-Executive, Non-Independent Director, liable to retire by rotation, with effect from 3rd August, 2024.

**RESOLVED FURTHER THAT** as Non-Executive, Non-Independent Director, Mr Kanwardip Singh Dhingra be paid commission on net profit as may be decided by the Board of Directors of the Company which may exceed fifty percent of the total annual commission on net profit payable/paid to all Non-Executive Directors of the Company but not exceeding the overall limits of commission on net profit as stipulated vide the provisions of Section 197(1) of the Act and as approved by the shareholders of the Company, from time-to-time.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all acts, deeds and things and execute all such documents, instruments and writings, as may be required and to delegate all or any of its powers herein conferred to any Committee of directors or to any director or to any employee of the Company to give effect to the aforesaid resolution including signing and making the necessary filings with any regulatory and governmental authorities including the Registrar of Companies, entering the necessary particulars in the statutory registers and other records of the Company (and any consequential entries and modifications).

**RESOLVED FURTHER THAT** any action(s) taken by the Board or Committee(s) thereof, any Director(s) or officer(s) or any other authorised signatory/ies of the Company in connection with any matter(s) referred to or contemplated in the foregoing resolution be and are hereby also approved, ratified and confirmed in all respect."

To consider and, if thought fit, to pass, the following resolution as a **Special Resolution**:

7. "**RESOLVED THAT** pursuant to the provisions of Section 197 read with Schedule V and other applicable provisions of the Companies Act, 2013 ("the Act") including any statutory modifications, amendments, re-enactment thereof, for the time being in force, relevant rules made thereunder, the provisions of the Memorandum and Articles of Association of the Company, recommendation of the Compensation and Nomination and Remuneration Committee dated 15th May, 2024 and the resolution of the Board of Directors dated 15th May, 2024 and in partial modification of the special resolution adopted by the Members at the Annual General Meeting held on 27th August, 2021, consent of the Members of the Company be and is hereby accorded to increase the managerial remuneration paid/payable to Mr Abhijit Roy ("Mr Roy"), Managing Director and Chief Executive Officer (CEO) (DIN: 03439064) of the Company for the remaining period of his current tenure i.e., from 1st July, 2024 to 30th June, 2027 as set out in the explanatory statement attached to this Notice and constituting part of this resolution.

**RESOLVED FURTHER THAT** the Board of Directors (which shall be deemed to include any Committee thereof including the Compensation and Nomination and Remuneration Committee) be and is hereby authorized to finalize the remuneration to be received by Mr Roy every year within the limits as set herewith and the Board of Directors or the Compensation and Nomination and Remuneration Committee be and is also hereby authorised to settle any question or difficulty in connection herewith and incidental hereto.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all acts, deeds and things and execute all such documents, instruments and writings, as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or to any Director or to any employee of the Company to give effect to the aforesaid resolutions."

To consider and, if thought fit, to pass, the following resolution as a **Special Resolution**:

8. "**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and other relevant provisions of the Companies Act, 2013 ("the Act") and the Rules made thereunder read with Regulation 25 (2A) and other relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force], the Articles of Association of the Company and based on the recommendation of the Compensation and Nomination and Remuneration Committee and approval of the Board of Directors, Dr Anoop Kumar Mittal (DIN: 05177010), who has given his consent and a declaration that he meets the criteria for independence and who holds office as an Independent Director up to 18th March, 2025, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for his second term of 5 (five) consecutive years commencing from 19th March, 2025 up to 18th March, 2030.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, expedient or desirable for the purpose of giving effect to the aforesaid resolution and in connection with any matter incidental thereto."

To consider and, if thought fit, to pass, the following resolution as a **Special Resolution**:

9. "**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 ("the Act") and the Rules framed thereunder read with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any statutory modification(s) or re-enactment(s) for the time being in force], Mr Subir Bose (DIN: 00048451), who was appointed as an Additional Director (Category: Non-Executive, Independent Director) of the Company based on the recommendation of the Compensation and Nomination and Remuneration Committee and approval of the Board of Directors pursuant to Section 161 of the Act with effect from 15th May, 2024 to hold office up to the date of the ensuing Annual General Meeting and in respect of whom the Company has received a valid nomination from a Member proposing him as a Director of the Company in terms of the provisions of Section 160 of the Act, be and is hereby appointed as a Director (Category: Non-Executive, Independent Director) of the Company, not liable to retire by rotation for a term of 5 (five) consecutive years commencing from his date of appointment i.e.,15th May, 2024 up to 14th May, 2029.

**RESOLVED FURTHER THAT** pursuant to Regulations 17(1A) and 25(2A) of the Listing Regulations and the applicable provisions of the Act and relevant rules framed thereunder [including any statutory modification(s)/amendments/

## Notice (Contd.)

re-enactment(s) thereto], approval of the Members be and is hereby also accorded to the continuation of directorship of Mr Subir Bose (DIN: 00048451), as a Non-Executive, Independent Director of the Company, not liable to retire by rotation, after attaining the age of 75 (seventy five) years on 10th December, 2024 for his remaining tenure as an Independent Director up to 14th May, 2029.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, expedient or desirable for the purpose of giving effect to the aforesaid resolution and in connection with any matter incidental thereto."

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

10. "**RESOLVED THAT** pursuant to the provisions of Section 197 and any other applicable provisions of the Companies Act, 2013 ("the Act") [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and in supersession of all the earlier resolutions passed in the context of payment of remuneration to Non-Executive Directors by way of commission, consent of the Members of the Company be and is hereby accorded for payment of remuneration and/or commission to the Non-Executive Directors, including Independent Directors, of the Company (i.e., Directors other than the Managing Director and/or Whole-time Directors) to be determined by the Board of Directors for each of such Non-Executive Director for each financial year and distributed between such Directors in such a manner as the Board of Directors may from time to time determine within the overall maximum limit of 1% (one percent) of the net profits of the Company for that financial year computed in accordance with the provisions of Section 198 of the Act or such other minimum percentage as may be specified by the Act from time to time in this regard.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, expedient or desirable for the purpose of giving effect to the aforesaid resolution and in connection with any matter incidental thereto."

To consider and, if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

11. "**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 [including any statutory amendment(s) or modification(s) or re-enactment(s) thereof, for the time being in force], the remuneration of ₹2,45,000 plus out of pocket expenses and taxes as applicable payable to M/s N Radhakrishnan & Co., Cost Accountants (Firm Registration No.000056) and the remuneration of ₹1,90,000 plus out of pocket expenses and taxes as applicable payable to M/s Shome and Banerjee, Cost Accountants (Firm Registration No. 000001), who have been appointed by the Board of Directors as Cost Auditors for audit of cost records of the Company in the manner illustrated in the explanatory statement for the financial year ending on 31st March, 2025, be and is hereby ratified.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, expedient or desirable for the purpose of giving effect to the aforesaid resolution and in connection with any matter incidental thereto."

By Order of the Board of Directors

**ARUNITO GANGULY** (FCS: 9285)
Vice President & Company Secretary

Place: Kolkata
Dated: 15th May, 2024



### Notes:

1) In compliance with the circular issued by the Ministry of Corporate Affairs ("MCA"), vide its General Circular Nos. 14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020, 20/2020 dated 5th May, 2020, 2/2022 dated 5th May, 2022, 10/2022 dated 28th December, 2022, 09/2023 dated 25th September, 2023 and other relevant circulars ("MCA Circulars") read with the Securities and Exchange Board of India ("SEBI") Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/167 dated 7th October, 2023 and other relevant circulars issued by SEBI, Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), Secretarial Standard on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India and other applicable laws, rules and regulations [including any statutory modification(s) or re-enactment(s) thereof for the time being in force and as amended from time to time], the Annual General Meeting (AGM) of the Company is being held through VC or OAVM facility, without the physical presence of the Members at a common venue. Members attending the AGM through VC or OAVM shall be counted for the purpose of reckoning quorum under Section 103 of the Companies Act, 2013 ("the Act"). The deemed venue for the 100th AGM shall be the Registered Office of the Company situated at Berger House, 129 Park Street, Kolkata-700017.

2) In terms of the MCA Circulars, physical attendance of Members has been dispensed with and, therefore, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by Members under Section 105 of the Act will not be available for the 100th AGM and consequently, the proxy form and attendance slip are not annexed to this notice convening the 100th AGM of the Company. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the Members may be appointed for the purpose of voting through remote e-Voting through Board Resolution/Power of Attorney/Authority Letter, etc., for participation in the 100th AGM through VC or OAVM facility and e-Voting during the 100th AGM and since the 100th AGM is being held through VC or OAVM facility, the Route Map is not annexed to this Notice.

   Institutional Shareholders (i.e., other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Power of Attorney/appropriate Authorisation Letter together with attested specimen signature(s) of the authorised signatory(ies) who are authorised to vote, to the Scrutinizer through e-mail at **aklabhcs@gmail.com** with a copy marked to **evoting@nsdl.com**.

3) The Members can join the AGM in the VC or OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairperson of the Audit Committee, Chairman of the Compensation and Nomination and Remuneration Committee and Chairman of the Stakeholders' Relationship and Investor Grievance Committee, Statutory Auditors, Secretarial Auditor, Scrutinizer and others who are allowed to attend the AGM without restriction on account of first come first served basis.

4) In compliance with the aforesaid MCA Circulars and SEBI Circular, Notice of the AGM along with the Annual Report 2023-24 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2023-24 will also be available on the Company's website: **www.bergerpaints.com**, websites of the Stock Exchanges, i.e., BSE Limited and National Stock Exchange of India Limited at **www.bseindia.com** and **www.nseindia.com** respectively, and on the e-Voting website of NSDL at **www.evoting.nsdl.com**.

5) The Register of Members and Share Transfer Books of the Company shall remain closed from Tuesday, 6th August, 2024 to Monday, 12th August, 2024.

6) SEBI vide Circular Nos. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/131 dated 31st July, 2023, and SEBI/HO/OIAE/ OIAE_IAD-1/P/CIR/2023/135 dated 4th August, 2023, read with Master Circular No. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/145 dated 31st July, 2023 (updated as on 11th August, 2023), has established a common Online Dispute Resolution Portal ("ODR Portal") for resolution of disputes arising in the Indian Securities Market.

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Pursuant to above-mentioned circulars, post exhausting the option to resolve their grievances with the RTA/ Company directly and through existing SCORES platform, the investors can initiate dispute resolution through the ODR Portal (**https://smartodr.in/login**) and the same can also be accessed through the Company's website: **https://www.bergerpaints.com/investors/services**.

7) SEBI vide its Circular dated 3rd November, 2021 (subsequently amended by circulars dated 14th December, 2021, 16th March, 2023 and 17th November, 2023) mandated that the security holders (holding securities in physical form), whose folio(s) do not have PAN or Choice of Nomination or Contact Details or Mobile Number or Bank Account Details or Specimen Signature updated, shall be eligible for any payment including dividend, interest or redemption in respect of such folios, only through electronic mode with effect from 1st April, 2024 upon completion/submission of the requisite documents/ details in entirety. Copies of relevant forms are available on website of the Company at **https://www.bergerpaints.com/investors/services** or of the Company's RTA, M/s C B Management Services (P) Limited website at **https://cbmsl.com/services/details/sebi-download-forms**.

   In case of any query/assistance, Members are requested to contact Company's RTA, M/s C B Management Services (P) Limited, at P-22, Bondel Road, Kolkata-700 019 [Phone no. (033) 4011 6724; Email: **rta@cbmsl.com**/ **subhabrata@cbmsl.co**/**ranarc@cbmsl.co**]

8) Members who have still not registered/updated their email ID's, are requested to do so at the earliest, in the following manner:

   a) Members holding shares in physical mode are requested to register/update their email IDs by submitting dully filled and signed Form ISR-1 with Company's RTA.

   b) Members holding shares in dematerialised mode are requested to register/update their e-mail address with the Depository through Depository Participant(s).

9) Members holding equity shares in physical form, who have not updated their mandate for receiving the dividends directly in their bank accounts through Electronic Clearing Service or any other means ("Electronic Bank Mandate"), can register their Electronic Bank Mandate to receive dividends directly into their bank account electronically or any other means, by sending Form ISR-1 duly filled in and signed, the format of which is available on the website of the Company **https://www.bergerpaints.com/investors/services** or from the website of its RTA at **https://www.cbmsl.com** along with following documents latest by 31st July, 2024 to the Company at its Registered Office address – (1) Secretarial Department, Berger Paints India Limited, 129, Park Street, Kolkata - 700017 or to its RTA i.e., (2) M/s CB Management Services (P) Limited, P-22, Bondel Road, Kolkata -700019:-

   a) copy of cancelled cheque leaf bearing the name of the first or sole holder;

   b) self attested scanned copy of the PAN Card; and

   c) self attested scanned copy of any document (such as AADHAAR Card, Driving License, Election Identity Card, Passport) in support of the postal address of the Member as registered against their shareholding.

   The Electronic Bank Mandate for Members holding shares in demat mode is requested to be updated through their Depository Participant(s).

10) To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.

11) Explanatory Statement pursuant to Section 102 of the Act, as set out in the Notice is annexed hereto. The recommendations of the Board of Directors of the Company in terms of Regulation 17(11) of the Listing Regulations is also provided in the said Statement. Necessary information of the Directors as required under Regulation 36(3) of the Listing Regulations and the Revised Secretarial Standard on General Meeting (SS-2) issued by the Institute of Company Secretaries of India (ICSI) is also appended to the Notice. The Statement read together with the Annexures hereto and these notes form an integral part of this Notice.

12) In terms of General Circular Nos. 20/2020 dated 5th May, 2020, 2/2022 dated 5th May, 2022 and 10/2022 dated 28th December, 2022 and 09/2023 dated 25th September, 2023 and other relevant circulars issued by the Ministry of Corporate Affairs, all items proposed under Special Business are considered unavoidable by the Board of Directors of the Company.

13) All documents referred to in the Notice and the Explanatory Statement shall be made available for online inspection by the Members of the Company, without payment of fees up to and including the date of the AGM. Members desirous of inspecting the same may send their requests at **rajibde@bergerindia.com** with a copy marked to **sumandey@bergerindia.com** from their registered e-mail addresses mentioning their names and folio numbers/demat account numbers.

   During the AGM, (i) the Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and (ii) the Register of Contracts or Arrangements in which Directors are interested maintained under Section 189 of the Act and (iii) the Certificate from Secretarial Auditor of the Company certifying that the ESOP Scheme of the Company has been implemented in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 along with (iv) draft letter of appointment for Independent Directors proposed to be appointed/re-appointed and (v) Notice under Section 160 of the Act, proposing candidature of Directors for appointment/re-appointment shall be made available for on-line inspection upon login at NSDL e-Voting system at **www.evoting.nsdl.com**.

14) Members holding shares in physical form who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form ISR-3 or SH-14 as the case may be. Members may download the said forms from the Company's website under the weblink at **https://www.bergerpaints.com/investors/services**. Members holding shares in demat mode should file their nomination with their respective Depository Participant(s).

15) In all correspondence with the Company/the RTA, Members are requested to quote their Folio Number and in case their shares are held in the dematerialised form, must quote their DP ID and Client ID numbers.

16) Members are reminded to send their dividend warrant(s)/bankers' cheque(s) and demand draft(s), which have not been encashed, to the Company, for revalidation. As per the provisions of Section 124(6) of the Act, unclaimed dividend is liable to be transferred to the Investor Education and Protection Fund of the Central Government after expiry of seven years from the date they become due for payment.

   The Ministry of Corporate Affairs (MCA) had vide notification No. S.O.2866 (E) dated 5th September, 2016 enforced Sections 124(6) and 125 of the Act read with the Investor Education and Protection Fund [IEPF] (Accounting, Audit, Transfer and Refund) Rules, 2016 (as amended), required companies to transfer the underlying shares to the IEPF, in respect of which the dividends have remained unclaimed for a consecutive period of seven years. Accordingly, shareholders are requested to apply for unclaimed dividends immediately to the Company/the RTA. Members are informed that once the unclaimed or unpaid dividend is transferred to the designated account of IEPF and shares are transferred to the Demat Account of the IEPF Authority, no claim shall lie against the Company in respect of such dividend/shares. During the Financial Year 2023-24, the Company had transferred 15,36,008 equity shares to IEPF on due dates. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on **http://www.iepf.gov.in**.

   The eligible Members are entitled to claim such unclaimed or unpaid dividend and shares including benefits, if any, accruing on such shares from the IEPF Authority by making an online application in web Form IEPF-5 and sending the physical copy of the same duly signed (as per the specimen signature recorded with the Company) along with requisite documents at the Registered Office of the Company for verification of their claims. However, before filing of claim(s) with IEPF Authority, Members/claimants are advised to approach the Company for issue of Entitlement letter along with all

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the required documents as per the communication issued by the IEPF Authority on 20th July, 2022. Relevant details and the specified procedure to claim refund of dividend amount/shares along with an access link to the refund web page of the IEPF Authority's website for claiming such dividend amount/shares has been provided on the Company's website, i.e., **www.bergerpaints.com** under the "Berger Investor Services" category. The due dates for transfer of the unclaimed or unpaid dividend relating to subsequent years to IEPF are as follows:

| Period | Type | Date of Transfer to IEPF |
|---|---|---|
| 2016-17 | FINAL | 08.09.2024 |
| 2017-18 | FINAL | 04.09.2025 |
| 2018-19 | FINAL | 06.09.2026 |
| 2019-20 | INTERIM | 24.03.2027 |
| 2019-20 | FINAL | 30.10.2027 |
| 2020-21 | FINAL | 02.10.2028 |
| 2021-22 | FINAL | 01.10.2029 |
| 2022-23 | FINAL | 16.09.2030 |

17) The shareholders holding shares in physical mode and whose names appear in the Register of Members on 12th August, 2024 shall be eligible for receipt of dividend, while the shareholders holding shares in electronic mode and whose names appear in the list of beneficial holders furnished by respective Depositories as at the end of business hours on 5th August, 2024 shall be eligible for receipt of dividend as recommended by the Board subject to approval of the proposed resolution in this connection by the Members of the Company. Accordingly, as per current SEBI Regulations, dividend is required to be credited to Members' respective bank accounts through National Automated Clearing House (NACH), wherever the facility is available and the requisite/ valid 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 and IFSC Codes of their banks to their Depository Participants (in case of shares held in dematerialised form) or to the Company's RTA (in case of shares held in physical form) at the earliest.

18) Pursuant to the amendment made in Regulation 40 of Listing Regulations and vide Gazette notification dated 24th January, 2022, except in case of transmission or transposition of securities, requests for effecting transfer shall not be processed unless the securities are held in dematerialised form with a depository.

19) As the AGM is being conducted through VC or OAVM, the Members are requested to express their views/send their queries in writing well in advance for smooth conduct of the AGM but not later than 5:00 P.M. (IST) Monday, 5th August, 2024 mentioning their names, folio numbers/demat account numbers, e-mail addresses and mobile numbers at **sumandey@bergerindia.com** with a copy to **rajibde@bergerindia.com** and only such questions/queries received by the Company till the said date and time shall be considered and responded during the AGM.

Members willing to express their views or raise queries during the AGM are required to register themselves as speakers by sending their requests on or before Monday, 5th August, 2024 (5:00 P.M. IST) at **sumandey@bergerindia.com** with a copy to **rajibde@bergerindia.com** from their registered e-mail addresses mentioning their names, folio numbers/demat account numbers, PAN details and mobile numbers. The Members who have registered themselves as speakers will be allowed to express their views/ask questions during the AGM. The Chairman of the Meeting/the Company reserves the right to restrict the time allotted to each speaker and the number of speakers to ensure smooth conduct of the AGM.

20) Pursuant to the Finance Act, 2020, dividend income will be taxable in the hands of shareholders w.e.f. 1st April, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and the amendments thereof. The Shareholders are once again requested to update their PAN with the Company at **sumandey@bergerindia.com** with a copy to **rajibde@bergerindia.com**/the RTA at **subhabrata@cbmsl.co/ranarc@cbmsl.co** (in case of shares held in physical mode) and their respective Depository Participants (in case of shares held in dematerialised mode). The following may be noted:

(i) A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to **subhabrata@cbmsl.co/ranarc@cbmsl.co** on or before 31st July, 2024. Shareholders are requested to note that in case their PAN is not registered or an invalid PAN is furnished or whose PAN has been made inoperative due to non-linking of PAN with Aadhar Number, the tax will be deducted at a rate of 20%. Further, tax may be deducted at higher rate of 20% for non-filing of return of income for the last financial year for which due date has expired.

(ii) Resident shareholders who are eligible for deduction of tax at a concessional or Nil rate as per Section 197 of the Income-tax Act, 1961, can submit the certificate/letter issued by the Assessing Officer, to avail the benefit of lower rate of deduction or non-deduction of tax at source by sending an e-mail to **subhabrata@cbmsl.co/ranarc@cbmsl.co** on or before 31st July, 2024.

(iii) Non-resident Shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e., No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an e-mail to **subhabrata@cbmsl.co/ranarc@cbmsl.co**. The aforesaid declarations and documents need to be submitted by the Shareholders on or before 31st July, 2024.

Please refer to **Annexure A** of Corporate Governance Report under "General Shareholder Information" for further details.

21) As on 31st March, 2024, 1191584 equity shares of ₹1/- each fully paid up have remained unclaimed for 1087 shareholders. During the year, the Company has received 60 requests from the Members for transfer of their unclaimed shares in aggregate from the Company's unclaimed demat suspense account, i.e., 'M/s Berger Paints India Limited – Unclaimed Demat Suspense Account' and accordingly, the Company has transferred those unclaimed shares from its unclaimed demat suspense account. Further, 55919 equity shares of ₹1/- each were transferred from unclaimed suspense account to IEPF Account between the period 1st April, 2023 to 31st March, 2024. The details are given in **Annexure A** of the Corporate Governance Report.

22) In compliance with the provisions of Section 108 of the Act, read with the provisions of the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Listing Regulations (as amended), and the MCA Circulars dated 5th May, 2020, 13th January, 2021, 5th May, 2022, 28th December, 2022 and 25th September, 2023, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. The Company has engaged National Securities Depository Limited ("NSDL") to provide to the Members the e-Voting platform and services for casting their vote through remote e-Voting on all resolutions set forth in this Notice. Only those Members who are present in the Meeting through VC or OAVM facility and have not cast their votes on resolutions through remote e-Voting and are otherwise not barred from doing so, shall be allowed to vote through e-Voting system during the AGM.

The remote e-Voting period will commence on 9th August, 2024 (Friday at 9:00 a.m.) and will end on 11th August, 2024 (Sunday at 5:00 p.m.). During this period, Members of the Company, holding shares either in physical mode or in dematerialised mode, may cast their vote electronically. The remote e-Voting module shall be disabled by NSDL for voting thereafter.

The procedure for remote e-Voting is as under:

**Step 1**: Access to NSDL e-Voting system

**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated 9th December, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email id in their demat accounts in order to access e-Voting facility.

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Login method for Individual shareholders holding securities in demat mode is given below:

| Type of shareholders | Login Method |
|---|---|
| Individual Shareholders holding securities in demat mode with NSDL | 1. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. **https://eservices.nsdl.com** either on a Personal Computer or on a mobile. On the e-Services home page click on the **"Beneficial Owner"** icon under **"Login"** which is available under **'IDeAS'** section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on **"Access to e-Voting"** under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.<br>2. If you are not registered for IDeAS e-Services, option to register is available at **https://eservices.nsdl.com**. Select **"Register Online for IDeAS Portal"** or click at **https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp**<br>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: **https://www.evoting.nsdl.com/** either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e., your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e., NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.<br>4. Shareholders/Members can also download NSDL Mobile App **"NSDL Speede"** facility by scanning the QR code mentioned below for seamless voting experience<br>NSDL Mobile App is available on<br>App Store Google Play |
| Individual Shareholders holding securities in demat mode with CDSL | 1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi/Easiest are requested to visit CDSL website **www.cdslindia.com** click on login icon & New System Myeasi Tab and then use your existing my easi username & password.<br>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.<br>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website **www.cdslindia.com** and click on login & New System Myeasi Tab and then click on registration option.<br>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on **www.cdslindia.com** home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers. |
| Individual Shareholders (holding securities in demat mode) login through their depository participants | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e., NSDL and CDSL.**

| Login type | Helpdesk details |
|---|---|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at **evoting@nsdl.com** or call at 022 - 4886 7000 |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at **helpdesk.evoting@cdslindia.com** or contact at toll free no. 1800 22 55 33 |

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

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

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

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

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5. Password details for shareholders other than Individual shareholders are given below:

   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

      (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**.

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

   a) Click on **"Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on **www.evoting.nsdl.com**.

   b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on **www.evoting.nsdl.com**.

   c) If you are still unable to get the password by aforesaid two options, you can send a request at **evoting@nsdl.com** mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

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

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

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

**Step 2**: **Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

**How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of Company, i.e., 129318 for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".

3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e., assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.



**General Guidelines for shareholders**

1. Institutional shareholders (i.e., other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to **aklabhcs@gmail.com** with a copy marked to **evoting@nsdl.com**. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution/Power of Attorney/Authority Letter etc. by clicking on "Upload Board Resolution/Authority Letter" displayed under "e-Voting" tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on **www.evoting.nsdl.com** to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of **www.evoting.nsdl.com** or call on.: 022 - 4886 7000 or send a request to Ms Pallavi Mhatre, Senior Manager at **evoting@nsdl.com**.

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this Notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **sumandey@bergerindia.com** / **rajibde@bergerindia.com**.

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to **sumandey@bergerindia.com** / **rajibde@bergerindia.com**. If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e., Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

3. Alternatively shareholder/members may send a request to **evoting@nsdl.com** for procuring user id and password for e-voting by providing above mentioned documents.

4. In terms of SEBI circular dated 9th December, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**The instructions for Members for e-Voting on the day of the EGM/AGM are as under:-**

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members/ shareholders, who will be present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the EGM/AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

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**Instructions for Members for attending the EGM/AGM through VC/OAVM are as under:**

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM" placed under **"Join meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at **sumandey@bergerindia.com** / **rajibde@bergerindia.com**. The same will be replied by the company suitably.
6. Shareholders who would like to express their views/ask questions as a speaker at the Meeting may pre-register themselves by sending a request from their registered e-mail address mentioning their names, DP ID and Client ID/ folio number, PAN and mobile number at **sumandey@bergerindia.com** / **rajibde@bergerindia.com** latest by 5 p.m. (IST) on Monday, 5th August, 2024. Only those Shareholders who have pre-registered themselves as a speaker will be allowed to express their views/ask questions during the AGM.
7. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
8. Members who need assistance before or during the AGM, can contact **Ms Pallavi Mhatre, Manager**, NSDL at **evoting@nsdl.com** or call 022 - 4886 7000
9. Shareholders attending the AGM through VC or OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

23) The voting rights of Members shall be in proportion to their share of the paid-up equity share capital (in case of electronic shareholding) of the Company as on the cut-off date of 5th August, 2024.

24) Any person, who acquires shares of the Company and becomes Member of the Company after dissemination of the Notice of AGM and holding shares as on the cut-off date, i.e., 5th August, 2024 may obtain the login ID and password by sending a request at **evoting@nsdl.com** or **subhabrata@cbmsl.co/ranarc@cbmsl.co** or **sumandey@bergerindia.com** mentioning his or her folio number/DP ID and Client ID. However, if he is already registered with NSDL for remote e-Voting, then he can use his existing user ID and password for casting his vote. If he forgets his password, he can reset his password by using "Forgot User Details/ Password" option available on **www.evoting.nsdl.com**.

25) Members holding shares in physical mode or whose e-mail addresses are not registered, may cast their votes through e-Voting system, after registering their e-mail addresses by sending the following documents to the Company at **sumandey@bergerindia.com** or to the RTA at **subhabrata@cbmsl.co/ranarc@cbmsl.co**: (i) Scanned copy of a signed request letter, mentioning the name, folio number/demat account details and number of shares held and complete postal address; (ii) Self-attested scanned copy of PAN Card; and (iii) Self-attested scanned copy of any document (such as AADHAAR card/latest Electricity Bill/latest Telephone Bill/ Driving License/Passport/Voter ID Card/ Bank Passbook particulars) in support of the postal address of the Member as registered against their shareholding. Members, who hold shares in physical mode and already having valid e-mail addresses registered with the Company/ the RTA, need not take any further action in this regard.

26) In case of joint holders attending the meeting, only such joint holder, who is higher in the order of names, will be entitled to vote at the Meeting.

27) Pursuant to the provisions of Section 108 of the Act, Mr A.K. Labh, Practising Company Secretary (FCS-4848/ CP-3238) of M/s A.K.Labh & Co., Company Secretaries has been appointed as the Scrutiniser to scrutinize the remote e-Voting process as well as voting by Members (who have not cast their vote through remote e-Voting) participating at the AGM through VC or OAVM as on the date of AGM in a fair and transparent manner.

28) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-Voting and make, within two working days of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or Company Secretary or a person authorised by the Chairman in writing, who shall countersign the same.

29) The result declared along with the Scrutinizer's Report shall be placed on the Company's website **www.bergerpaints.com**, the e-Voting website of NSDL - **www.evoting.nsdl.com** and on the notice board of the Company's registered office immediately. The Company shall simultaneously forward the results to National Stock Exchange of India Limited, BSE Limited and The Calcutta Stock Exchange Limited, where the shares of the Company are listed.

30) Subject to receipt of requisite number of votes, the resolutions proposed in the Notice shall be deemed to be passed on the date of the Meeting itself i.e., 12th August, 2024.

# Notice (Contd.)

## Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013

### Item No. 3

Mr Kuldip Singh Dhingra (Mr Dhingra) [DIN: 00048406] aged 76 (seventy six) years, is the Non-Executive and Non-Independent Director of the Company liable to retire by rotation. He is also the Non-Executive Chairman of the Board of Directors and one of the Promoters of the Company. As per Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), with effect from 1st April, 2019, no listed company shall appoint a person or continue the directorship of any person as a Non - Executive Director who has attained the age of seventy-five years, unless a Special Resolution is passed to that effect, and justification thereof is indicated in the explanatory statement annexed to the Notice for such appointment.

Mr Dhingra has been a Director of the Company since 17th July, 1991. He is a Science Graduate from Hindu College, Delhi University. Mr Dhingra is an industrialist and has over 53 years of experience in paint and related industries and his contribution to the paint and related industries are well known and internationally acclaimed. His rich experience, expertise and guidance has all along resulted in the organic and inorganic growth of the Company.

Mr Dhingra is liable to retire by rotation at this Annual General Meeting and it is proposed to re-appoint him as a Director of the Company subject to requisite consent received from shareholders. Regulation 17(1A) of the Listing Regulations will be applicable and a Special Resolution is required to be passed. Hence, the approval of the members is sought by way of a Special Resolution.

Mr Dhingra is not debarred from holding office of a Director by virtue of any SEBI Order or Order of any other such authority.

The Board of the Company is of the opinion that Mr Dhingra has been an integral part of the Board and has provided valuable insights to the Company and his continuation as a Director will be in the interest of the Company notwithstanding Mr Dhingra attaining 76 (seventy six) years of age. Hence the Board recommends the resolution set out in item No.3 as Special Resolution.

The details required under Regulation 36(3) of the Listing Regulations and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, in respect of Director(s) seeking appointment/re-appointment at this AGM forms part of the Notice.

Except Mr Gurbachan Singh Dhingra, Ms Rishma Kaur and Mr Kanwardip Singh Dhingra, being the relatives of Mr Kuldip Singh Dhingra and Mr Kuldip Singh Dhingra himself in his personal capacity, no other Director or Key Managerial Personnel of the Company, or their relatives, are concerned or interested financially or otherwise, in Resolution No. 3 as contained in the Notice.

### Item No. 4

Mr Gurbachan Singh Dhingra (Mr G S Dhingra) [DIN: 00048465] aged 74 (seventy four) years, is the Non-Executive and Non-Independent Director of the Company liable to retire by rotation. He is also the Non-Executive Vice Chairman of the Board of Directors and one of Promoters of the Company. As per Regulation 17(1A) of the Listing Regulations, with effect from 1st April, 2019, no listed company shall appoint or continue the directorship of a Non-Executive Director who has attained the age of 75 (Seventy Five) years, unless a Special Resolution is passed to that effect and justification thereof is indicated in the explanatory statement annexed to the Notice for such appointment.

Mr G S Dhingra has been a Director of the Company since 14th May, 1993. Mr G S Dhingra is a Graduate from Punjab University. Mr G S Dhingra is an industrialist and has considerable experience in the paint industry, especially in its technical aspects.

Mr G S Dhingra will attain the age of 75 (seventy five) years on 9th April, 2025 and the continuation of his Directorship will be subject to approval by the shareholders by way of a special resolution. Hence the approval of the Members is sought for the continuation of his Directorship on the Board of the Company even after attaining the age of 75 (seventy five) years.

Mr G S Dhingra is not debarred from holding office of a Director by virtue of any SEBI Order or Order of any other such authority.

The Board of the Company is of the opinion that Mr G S Dhingra has been an integral part of the Board, and has provided valuable insights to the Company and his continuation as a Director will be in the interest of the Company notwithstanding Mr G S Dhingra attaining 75 (seventy five) years of age on 9th April, 2025. Hence the Board recommends the Resolution set out in item No. 4.



The details required under Regulation 36(3) of the Listing Regulations and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, in respect of Director(s) seeking appointment/re-appointment at this AGM forms part of the Notice.

Except Mr Kuldip Singh Dhingra, Ms Rishma Kaur and Mr Kanwardip Singh Dhingra, being the relatives of Mr Gurbachan Singh Dhingra and Mr Gurbachan Singh Dhingra himself in his personal capacity, no other Director or Key Managerial Personnel of the Company, or their relatives, are concerned or interested financially or otherwise, in Resolution No. 4 as contained in the Notice.

### Item Nos. 5 and 6

Ms Rishma Kaur [DIN: 00043154] and Mr Kanwardip Singh Dhingra [DIN: 02696670] are the Whole-time Directors of the Company since 3rd August, 2015 and in their current tenure they would continue as Whole-time Directors of the Company upto 2nd August 2024 in terms of resolutions adopted by the shareholders of the Company at the Annual General Meeting held on 3rd August, 2019. They are also members of the Business Process and Risk Management Committee and Corporate Social Responsibility Committee of the Company. They individually hold 7,20,000 and 8,40,000 equity shares respectively of the Company. As per the resolutions passed by the shareholders of the Company at the AGM held on 3rd August 2019, their office may be terminated by either party giving 3 months' Notice in writing.

Ms Rishma Kaur and Mr Kanwardip Singh Dhingra have tendered notices on 2nd May, 2024 in terms of the said resolutions adopted by the shareholders on 3rd August, 2019 and in terms of their employment agreements conveying their intention to step down from the Whole-time employment of the Company and accordingly not to continue as Whole-time-Directors of the Company on and after 3rd August, 2024. However, Ms Rishma Kaur and Mr Kanwardip Singh Dhingra would continue as Non-Executive, Non-Independent Directors of the Company. Accordingly, Ms Rishma Kaur and Mr Kanwardip Singh Dhingra are proposed to be re-designated as Non-Executive, Non-Independent Directors of the Company.

Upon recommendation of the Compensation and Nomination and Remuneration Committee and pursuant to the provisions of Section 197 and other applicable provisions (including any modification or re-enactment thereof) of the Companies Act, 2013, and the rules and regulation framed there under, the Board has approved the re-designation of Ms Rishma Kaur and Mr Kanwardip Singh Dhingra as Non-Executive, Non-Independent Directors. Ms Rishma Kaur and Mr Kanwardip Singh Dhingra would be entitled to commission on net profit/remuneration as may be decided by the Board of Directors of the Company within the overall limit approved by the shareholders in accordance with the provisions on the Companies Act, 2013.

Regulation 17(6)(ca) of the Listing Regulations provides that the approval of shareholders by way of a special resolution shall be obtained every year, in which the annual remuneration payable to a single Non-Executive Director exceeds fifty per cent of the total annual remuneration payable to all Non-Executive Directors, giving details of the remuneration thereof.

The remuneration payable (in the form of profit related commission) to Ms Rishma Kaur and Mr Kanwardip Singh Dhingra, as Non-Executive, Non-independent Directors for the financial year ending 31st March, 2025 may exceed 50% of the total remuneration (in the form of profit related commission) payable to all the Non-Executive Directors of the Company for the said year. Hence, approval of the Members is being sought by way of a special resolution, pursuant to Regulation 17(6)(ca) of the Listing Regulations for the same. However, the total remuneration (in the form of profit related commission) as would be paid to them shall be within the limits permissible under Section 197 of the Companies Act, 2013.

The Board considers it desirable that the Company should avail the services of Ms Rishma Kaur and Mr Kanwardip Singh Dhingra and accordingly recommends the resolutions at Item Nos. 5 and 6 for approval by the Members.

Except Mr Kuldip Singh Dhingra and Mr Gurbachan Singh Dhingra, being the relatives of Ms Rishma Kaur and Mr Kanwardip Singh Dhingra and Ms Rishma Kaur and Mr Kanwardip Singh Dhingra themselves in their personal capacity, no other Director or Key Managerial Personnel of the Company, or their relatives, are concerned or interested financially or otherwise, in Resolution Nos. 5 and 6 as contained in the Notice.

### Item No. 7

Mr Abhijit Roy ["Mr Roy" (DIN: 03439064)] aged 58 years is presently the Managing Director and Chief Executive Officer (CEO) of the Company. He is a Bachelor of Engineering (Mechanical) from Jadavpur University, Kolkata and holds post graduate diploma in

# Notice (Contd.)

Business Management from Indian Institute of Management, Bangalore and has been associated with the Company for the last twenty eight years. Mr Roy has long and rich experience of more than 30 years. He was first appointed as an Additional Director and Chief Operating Officer on 11th February, 2011 for a term of five years. Subsequently, he was appointed as the Managing Director and CEO of the Company, with effect from 1st July, 2012 for a term of five years. Thereafter, Mr Roy was re-appointed as the Managing Director and CEO with effect from 1st July, 2017 for a term of five years. He was again re-appointed as the Managing Director and CEO with effect from 1st July, 2022 for a term of five years in the Annual General Meeting held on 27th August, 2021 on the terms and conditions as mentioned in the said resolution.

Mr Roy has provided able leadership to the Company as Managing Director and CEO. In almost 12 years during his term as the Managing Director and CEO from 1st July, 2012 till date, the consolidated revenue from operations of the Company increased from ₹2,947.73 crore to ₹11,198.92 crore and the consolidated net profit of the Company increased from ₹180.04 crore to ₹1169.82 crore. Considering all these, the Board of Directors of the Company on the recommendation of Compensation and Nomination and Remuneration Committee of the Company vide its meeting held on 15th May, 2024 decided to increase the remuneration of Mr Roy from ₹800 lakhs per annum to ₹1200 lakhs per annum subject to approval of shareholders of the Company and the same is in line with the remuneration package that is necessary to encourage effective professional managers to function in important positions as that of the Managing Director & CEO. Mr Roy will continue to be entitled to stock options and such other similar instruments under the Stock Option Plan. Further, all other terms of Mr Roy's remuneration as approved by the special resolution passed at the Annual General Meeting of the Company held on 27th August, 2021 will continue to be the same.

It is also proposed to authorise the Compensation and Nomination and Remuneration Committee and the Board of Directors of the Company to revise the remuneration of Mr Roy from time to time within the enhanced limit as proposed for approval, provided that the remuneration shall be within the overall maximum limits laid down under Section 197, Schedule V and all other applicable provisions of the Act, as amended from time to time.

Mr Roy is interested in the resolution set out at Item No.7. No other Director and/or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in respect of the said resolution.

The Board recommends the resolution set forth in Item No. 7 for approval of the Members.

## Item No. 8

Dr Anoop Kumar Mittal [(Dr Mittal) DIN: 05177010] was appointed as an Additional Director (Category: Non-Executive, Independent) of the Company by the Board of Directors with effect from 19th March, 2020. He was appointed as an Independent Director of the Company for a first term of 5 (five) consecutive years w.e.f. 19th March, 2020 up to 18th March, 2025 by the Members at the Annual General Meeting of the Company held on 25th September, 2020. Dr Mittal has registered himself with the Indian Institute of Corporate Affairs (IICA) and his name is included in the Independent Directors' data bank as maintained by the IICA. His present tenure as an Independent Director will expire on 18th March, 2025.

In terms of Section 152 read with Schedule IV of the Companies Act, 2013, the Board is of the opinion that Dr Mittal fulfils the conditions for his reappointment as an Independent Director as specified in the Act and the Listing Regulations and is Independent of the management of the Company. The Board pursuant to the recommendation of the Compensation and Nomination and Remuneration Committee approved the re-appointment of Dr Mittal as an Independent Director of the Company, not being liable to retire by rotation, considering his experience of more than 39 years in fields of Civil Engineering, Consultancy for Real Estate Development, Merger and Acquisition and Project Management for a second term of 5 (five) consecutive years commencing from 19th March, 2025 up to 18th March, 2030, subject to the approval of Members, by way of a Special Resolution.

Dr Mittal is entitled to commission on net profits of the Company not exceeding 1% in aggregate (together with all Non-Executive Directors) as computed in the manner referred to in Section 198 of the Act and Rules framed thereunder.

Dr Mittal is not debarred from holding office of a Director by virtue of any SEBI Order or Order of any other such authority.

The copy of the draft letter of appointment, setting out the terms and conditions of his reappointment and all other documents referred to in the accompanying Notice and this Statement shall be available for inspection by the Members electronically. Members seeking to inspect the same are requested to follow the procedure mentioned in Note No. 8 to this Notice.

The Board recommends the resolution as set out in Item No. 8 of the Notice for approval of the Members by way of a Special Resolution.

Except Dr Mittal, no other Director or Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in Resolution No.8 as contained in the Notice.

A brief profile and other information as required under Regulation 36 of the Listing Regulations and Secretarial Standard-2 issued by the Institute of Company Secretaries of India (ICSI) is annexed to this Notice.

## Item No. 9

Mr Subir Bose [Mr Bose (DIN: 00048451)] was appointed as an Additional Director (Category: Non-Executive, Independent) of the Company by the Board of Directors with effect from 15th May, 2024 pursuant to Section 161 of the Companies Act, 2013 ("the Act"). Mr Bose has filed declaration of independence and is deemed to be Independent within the meaning of Section 149 of the Act and Regulation 16 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

In terms of Section 161 of the Act, Mr Bose holds office as an Additional Director up to the conclusion of the ensuing Annual General Meeting and the Company has received a notice in writing from a Member in terms of Section 160 of the Act proposing the candidature of Mr Bose for appointment as an Independent Director as per the provisions of Sections 149 and 152 of the Act.

Mr Bose has 38 (thirty eight) years of experience in the paint industry. Mr Bose's acumen and experience in the field of management and in the paints sector is well known. Mr Bose was also Managing Director of the Company from July, 1994 till June, 2012 and has contributed significantly to the growth of the Company, securing its position as a notable paint producer in the world.

Mr Bose will attain the age of 75 (seventy five) years on 10th December, 2024 and the continuation of his directorship will be subject to approval of the shareholders by way of a Special Resolution as required under Regulation 17(1A) of the Listing Regulations.

Mr Bose is not debarred from holding office of a Director by virtue of any SEBI Order or Order of any other such authority.

Based on the recommendation of the Compensation and Nomination and Remuneration Committee and subject to the approval of the Members of the Company, the Board of Directors of the Company considering Mr Bose's experience in the field of paint and coatings industry approved his appointment as an Independent Director. Accordingly, approval of the Members is now sought for appointment of Mr Bose for a period of 5 (five) consecutive years from the date of his appointment i.e, from 15th May, 2024 up to 14th May, 2029. Pursuant to Section 149(13) of the Act, Mr Bose will not be liable to retire by rotation.

In terms of the provisions of the Act, Mr Bose has filed requisite consent(s)/disclosures before the Board. As required under Regulation 25(8) of the Listing Regulations, Mr Bose has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties. Mr Bose has registered himself with the Indian Institute of Corporate Affairs (IICA) and his name is included in the Independent Directors' data bank as maintained by the IICA. In the opinion of the Board, Mr Bose meets the criteria of Independence as stipulated under Section 149(6) of the Act and Rules framed and is Independent of the management.

Mr Bose is entitled to commission on net profits of the Company not exceeding 1% in aggregate (together with all Non-Executive Directors) as computed in the manner referred to in Section 198 of the Act and Rules framed thereunder.

The copy of the draft letter of appointment, setting out the terms and conditions of his appointment and all other documents referred to in the accompanying Notice and the Explanatory Statement shall be available for inspection by the Members electronically. Members seeking to inspect the same are requested to follow the procedure mentioned in Note No.9 to this Notice.

The Board recommends the resolution as set out in Item No.9 for approval of the Members by way of a Special Resolution.

Except Mr Bose, and his relatives, no other Director or Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in Resolution No. 9 as contained in the Notice.

A brief profile and other information as required under Regulation 36 of the Listing Regulations and Secretarial Standard-2 issued by the Institute of Company Secretaries of India (ICSI) is annexed to this Notice.

# Notice (Contd.)

## Item No. 10

The Members at the Annual General Meeting held on 4th August, 2017 had passed a Special Resolution under the provisions of Section 197 and other applicable provisions of the Companies Act, 2013 ("the Act") for payment of remuneration by way of commission to Non-Executive Directors of the Company, of a sum not exceeding 1% per annum of the net profits of the Company, but up to a maximum of ₹1,00,00,000 (Rupees One Crore), calculated in accordance with the provisions of Section 198 of the said Act.

With the enhanced Corporate Governance requirements under the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") coupled with the size, complexity, the role and responsibilities of the Board, including Independent Directors has become more onerous, requiring greater time commitments, attention and a higher level of oversight. The Company receives considerable services from the Non-Executive 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. It is therefore befitting that they continue to be paid a remuneration and/or commission not exceeding 1% per annum of the net profits of the Company as calculated in terms of the provisions of Section 198 of the Act without the overall limit of ₹ 1,00,00,000/- in a financial year and hence the resolution in this connection is proposed for your approval.

The Board of Directors recommend the Special Resolution set out at Item No. 10 of the Notice for approval of Members.

All the Non-Executive Directors including Independent Directors may be deemed to be concerned or interested in the resolution as set out at Item No.10. No Key Managerial Personnel or their relatives are in any way concerned (financially or otherwise) in the said resolution.

## Item No. 11

The Board of Directors at its meeting held on 15th May, 2024 based on the recommendation of the Audit Committee, appointed M/s N Radhakrishnan & Co., Cost Accountants (Firm Registration No.000056), as Cost Auditors of the Company at a remuneration of ₹2,45,000 plus applicable taxes and other out-of-pocket expenses and M/s Shome and Banerjee, Cost Accountants (Firm Registration No.000001), as Cost Auditors at a remuneration of ₹1,90,000 plus applicable taxes and other out-of-pocket expenses to audit the cost records of the products manufactured by the Company for the year ending on 31st March, 2025. M/s N Radhakrishnan & Co., Cost Accountants will carry out cost audit of the Company's factories situated at a) Howrah b) Rishra c) Goa d) Puducherry e) Jejuri and f) Naltali. M/s Shome and Banerjee, Cost Accountants, will undertake cost audit of the Company's factories situated at Jammu and Sandila and the factories of British Paints Division situated at Sikandrabad and Hindupur.

Pursuant to Section 148 of the Act read with the Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (as amended), the remuneration payable to the Cost Auditors shall be approved by the Board of Directors and subsequently ratified by the Members of the Company. Accordingly, the remuneration payable to M/s N Radhakrishnan & Co., Cost Accountants and M/s Shome and Banerjee, Cost Accountants for the financial year ending on 31st March, 2025 as approved by the Board of Directors is being placed before the Members for ratification.

The Directors recommend adoption of the Resolution at Item No.11 for ratification by the Members.

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

By Order of the Board of Directors

**ARUNITO GANGULY** (FCS: 9285)
Vice President & Company Secretary

Place : Kolkata
Dated: 15th May, 2024

**Details required under Section 102 of the Companies Act, 2013 in respect of Directors of the Company, who are seeking re-appointment/appointment through this Notice, have already been provided under the heading Explanatory Statement annexed to this Notice. Other information in compliance with Regulation 36(3) of the Listing Regulations and Secretarial Standard – 2 (SS-2) as issued by the Institute of Company Secretaries of India (ICSI) have been provided in the table below:**

| Particulars | Item No. 3 | Item No. 4 | Item No. 5 | Item No. 6 | Item No. 7 | Item No. 8 | Item No. 9 |
|---|---|---|---|---|---|---|---|
| Name of the Director | Mr Kuldip Singh Dhingra (DIN: 00048406) | Mr Gurbachan Singh Dhingra (DIN: 00048465) | Ms Rishma Kaur (DIN: 00043154) | Mr Kanwardip Singh Dhingra (DIN: 02696670) | Mr Abhijit Roy (DIN: 03439064) | Dr Anoop Kumar Mittal (DIN: 05177010] | Mr Subir Bose (DIN: 00048451] |
| Brief Resume of the Director | Mr Kuldip Singh Dhingra is the Chairman of the Board of Directors. He has been a Director of the Company since 1991. Mr Dhingra is a Science Graduate from Hindu College, Delhi University. He is a promoter and an industrialist with long standing experience in the paint and related industries. | Mr Gurbachan Singh Dhingra is the Vice-Chairman of the Board of Directors. He has been a Director of the Company since 1993. Mr G S Dhingra is a Graduate from Punjab University. He is a promoter and an industrialist with considerable experience in the paint industry, especially in its technical aspects. | Ms Rishma Kaur holds a B.Sc. in Business Studies from University of Buckingham, U.K. and studied German Language at the University of Augsberg, Bavaria, Germany. She has got experience and knowledge in paint industry. She has been involved in development of business including those relating to large projects in decorative paints, development of marketing initiatives and corporate affairs. | Mr Kanwardip Singh Dhingra holds a Bachelor's degree in Chemical Engineering from University of Akron, Ohio, USA with specialization in Polymer Engineering and minor in Chemistry. He has got experience in Manufacturing and Process Engineering and accordingly contributes to setting up of various projects of the Company, its subsidiaries and associates, looking into its manufacturing and technical matters. | Mr Abhijit Roy has vast experience of accomplishing sales, understanding of market and consumers, contemporary marketing strategy, branding strategies and business promotion. He possesses leadership experience in handling financial management and strategic planning with a vision of the future. He has been honoured with the Distinguished Alumni Award 2023 by the prestigious IIM, Bangalore. | Dr Anoop Kumar Mittal completed B.E. in Civil Engineering from Thapar Institute of Engineering & Technology, Punjab University, Patiala. Dr Mittal has an experience of 39 years in the field of Civil Engineering, Consultancy for Real Estate Development, Merger & Acquisition and Project Management. | Mr Subir Bose completed his B.Tech in Chemical Engineering from IIT, Kanpur and PGDBA from IIM, Ahmedabad. He was associated with various corporates in India and abroad. He was the Managing Director of the Company from July, 1994 till June, 2012. Mr Bose has 38 years of experience in paint industry. |
| Category of Director | Non-Executive, Non-Independent | Non-Executive, Non-Independent | Non-Executive, Non-Independent (w.e.f. 03.08.2024) | Non-Executive, Non-Independent (w.e.f. 03.08.2024) | Executive, Non-Independent | Non-Executive, Independent | Non-Executive, Independent |
| Date of Birth / Age | 2nd September, 1947 (76 years) | 9th April, 1950 (74 years) | 1st September, 1972 (51 years) | 28th October, 1982 (41 years) | 12th July, 1965 (58 years) | 5th January, 1960 (64 years) | 10th December, 1949 (74 years) |
| Nationality | Indian | Indian | Indian | Indian | Indian | Indian | Indian |
| Date of First Appointment in the Board | 17th July, 1991 | 14th May, 1993 | 14th April, 2011 | 14th April, 2011 | 11th February, 2011 | 19th March, 2020 | 7th March, 1994 |
| Qualification | Science Graduate, Hindu College, Delhi University | Graduate, Punjab University | B.Sc in Business Studies from University of Buckingham, U.K. and studied German Language at the University of Augsberg, Bavaria, Germany. | Bachelor's degree in Chemical Engineering from University of Akron, Ohio, USA with specialization in Polymer Engineering and minor in Chemistry. | B.E (Mechanical), Jadavpur University & Post Graduate Diploma in Management from IIM, Bangalore. | B.E in Civil Engineering from Thapar Institute of Engineering & Technology, Punjab University, Patiala. He was conferred "Doctor of Philosophy" (Honoris Causa) – Chancellor, Singhania University. | B.Tech in Chemical Engineering from IIT, Kanpur and PGDBA from IIM, Ahmedabad. |
| Expertise in specific functional areas | Industrialist with long standing experience in the paint and related industries. His experience and expertise is helpful for the organic and inorganic growth of the business. | Industrialist having considerable experience in paint industry, especially in its technical aspects. His experience is helpful for the business growth, its manufacturing and technical aspects | Has got experience and knowledge in paint industry and has been involved in development of business including those relating to large projects in decorative paints, development of marketing initiatives and corporate affairs | Has got experience in Manufacturing and Process Engineering and accordingly contributes to setting up of various projects of the Company, its subsidiaries and associates, looking into its manufacturing and technical matters | Has vast experience in marketing and possesses rich experience of accomplishing sales, understanding of market and consumers, branding strategies and business promotion. He also possesses leadership experience in handling financial management and strategic planning with a vision of the future. | Rich experience in the field of Civil Engineering, Consultancy for Real Estate Development, Merger & Acquisition and Project Management. | Has vast experience and expertise in the field of management and his acumen in the paints and coatings industry is well known. He has worked with various corporates in India and abroad. |

# Notice (Contd.)

| Particulars | Item No. 3 | Item No. 4 | Item No. 5 | Item No. 6 | Item No. 7 | Item No. 8 | Item No. 9 |
|---|---|---|---|---|---|---|---|
| Terms and conditions of re-appointment | Non-Executive, Non-Independent Director, liable to retire by rotation | Non-Executive, Non-Independent Director, liable to retire by rotation | Non-Executive, Non-Independent Director (w.e.f. 03.08.2024) | Non-Executive, Non-Independent Director (w.e.f. 03.08.2024) | Executive Director, not liable to retire by rotation. Appointed for a term of 5 years from 1st July, 2022 till 30th June, 2027. | Non-Executive, Independent Director, not liable to retire by rotation. Proposed to be re-appointed for a second term of 5 (five) consecutive years | Non-Executive, Independent Director, not liable to retire by rotation. Proposed to be appointed for a term of 5 (five) consecutive years |
| Directorship held in other listed entities as on 31st March, 2024 | Relaxo Footwears Limited | Nil | Nil | Nil | Nil | Welspun Enterprises Limited | LA Opala RG Limited |
| Names of the listed entities from which the Director has resigned in the past three years | Nil | Nil | Nil | Nil | Nil | Unitech Limited | Nil |
| The skills and capabilities required for the role and the manner in which Dr Anoop Kumar Mittal and Mr Subir Bose meet such requirements for their re-appointment/ appointment | – | – | – | – | – | Dr Mittal's rich experience in the field of civil engineering, consultancy for real estate development, merger and acquisition and project management will immensely help the Company in its future endeavors. | Mr Bose's vast experience and expertise in the field of management and his acumen in the paints and coatings industry would help the Company grow in this competitive environment. |
| Chairman / Member of Committees of the Board of the listed entities on which he / she is a Director as on 31st March, 2024 | Member of Compensation and Nomination and Remuneration Committee – Berger Paints India Limited<br>Chairman of Corporate Social Responsibility Committee – Berger Paints India Limited<br>Chairman of Committee of Directors – Berger Paints India Limited | Member of Audit Committee -Berger Paints India Limited<br>Chairman of Business Process & Risk Management Committee – Berger Paints India Limited<br>Chairman of Stakeholders' Relationship & Investor Grievance Committee – Berger Paints India Limited | Member of Business Process & Risk Management Committee – Berger Paints India Limited<br>Member of Corporate Social Responsibility Committee – Berger Paints India Limited | Member of Business Process & Risk Management Committee – Berger Paints India Limited<br>Member of Corporate Social Responsibility Committee – Berger Paints India Limited | Chairman of Share Transfer Committee – Berger Paints India Limited<br>Member of Stakeholders' Relationship & Investor Grievance Committee – Berger Paints India Limited<br>Member of Business Process & Risk Management Committee – Berger Paints India Limited<br>Member of Corporate Social Responsibility Committee – Berger Paints India Limited<br>Member of Committee of Directors – Berger Paints India Limited<br>Member of Environmental, Social & Governance Committee – Berger Paints India Limited | Member of Audit Committee -Berger Paints India Limited<br>Member of Compensation & Nomination & Remuneration Committee – Berger Paints India Limited & Welspun Enterprises Limited<br>Member of Corporate Social Responsibility Committee – Berger Paints India Limited<br>Member of Business Process & Risk Management Committee – Welspun Enterprises Limited | Not Applicable |
| Number of Board Meetings attended during the current financial year 2023-24 | 5 (five) | 5 (five) | 5 (five) | 5 (five) | 5 (five) | 5 (five) | Refer Note No. 2 below |
| Shareholding in the Company | 66,18,085 shares of ₹1/- each # | 53,38,665 shares of ₹1/- each # | 7,20,000 shares of ₹1/- each | 8,40,000 shares of ₹1/- each | 95,183 shares of ₹1/- each | Nil | 26,208 shares of ₹1/- each |
| Shareholding in the Company as a beneficial owner | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Remuneration details (including Sitting Fees & Commission) | No sitting fees are paid to Non-Whole-time Directors of the Company, since all the Non-Whole-time Directors waived the payment of sitting fee at the Board Meeting held on 5th August, 2019. The Directors of the Company, including Independent Directors, who are neither Managing Director nor Whole-time Directors, are entitled to receive Commission on Net Profits not exceeding 1% in aggregate of the Net Profits determined in accordance with the provisions of Section 197 and Section 198 of the Companies Act, 2013 subject to approval of the shareholders. | | | | | | |
| Inter se relationship between Directors | Brother of Mr G.S. Dhingra, Vice Chairman , father of Ms Rishma Kaur, Executive Director and brother of the father of Mr Kanwardip Singh Dhingra, Executive Director | Brother of Mr K.S. Dhingra, Chairman, father of Mr Kanwardip Singh Dhingra, Executive Director and brother of the father of Ms Rishma Kaur, Executive Director | Cousin sister of Mr Kanwardip Singh Dhingra, Executive Director, niece of Mr Gurbachan Singh Dhingra, Vice-Chairman of the Company and daughter of Mr Kuldip Singh Dhingra, Chairman of the Company. | Cousin brother of Ms Rishma Kaur, Executive Director, nephew of Mr Kuldip Singh Dhingra, Chairman of the Company and son of Mr Gurbachan Singh Dhingra, Vice-Chairman of the Company. | Not Applicable | Not Applicable | Not Applicable |

Notes :

1. # Does not include shares held by Mr Kuldip Singh Dhingra and Mr Gurbachan Singh Dhingra as Settlor Trustees of KSD Family Trust and GBS Dhingra Family Trust respectively.
2. Mr Subir Bose (DIN: 00048451) has been appointed as an Additional Director of the Company with effect from 15th May, 2024 to hold office as a Non-Executive, Independent Director of the Company for a term of 5 (five) consecutive years, subject to approval of the Members of the Company at the ensuing 100th AGM.

By Order of the Board of Directors

Place : Kolkata
Dated: 15th May, 2024

**ARUNITO GANGULY** (FCS: 9285)
Vice President & Company Secretary

# Report of the Directors and Management Discussion and Analysis

Your Directors have pleasure in presenting the Annual Report of the Company, together with the audited accounts for the financial year ended on 31st March, 2024.

## Financial Results

(₹ in Crore)

| Particulars | Standalone | | Consolidated | |
|---|---|---|---|---|
| | Current Year 2023-2024 | Previous Year 2022-2023 | Current Year 2023-2024 | Previous Year 2022-2023 |
| Profit before Depreciation, Finance Cost, Share of Profit/(Loss) from Joint Ventures and Tax | 1729.11 | 1423.00 | 1925.00 | 1538.77 |
| Add: Share of Profit/(Loss) from Joint Ventures | – | – | 41.02 | (13.17) |
| Less: | | | | |
| Depreciation and Amortisation Expense | 296.99 | 234.00 | 330.88 | 264.03 |
| Finance Cost | 64.66 | 86.28 | 78.25 | 99.23 |
| Profit Before Tax | 1367.46 | 1102.72 | 1556.89 | 1162.34 |
| Less: Tax expense | 352.41 | 274.33 | 387.07 | 301.94 |
| Profit After Tax | 1015.05 | 828.39 | 1169.82 | 860.40 |
| Add: Other comprehensive income/(loss) for the year net of tax | 0.14 | (0.55) | 22.29 | 4.36 |
| Total comprehensive income | 1015.19 | 827.84 | 1192.11 | 864.76 |

## Financial Performance

### Highlights of the Standalone Results:

a. Revenue from Operations for the year ended 31st March, 2024 was ₹10,002.93 Crore as against ₹9,470.62 Crore in the corresponding last financial year, representing an increase of 5.6% over the corresponding period of last financial year.

b. EBIDTA (excluding other income) for the year ended 31st March, 2024 was ₹1,671.67 Crore as against ₹1,345.85 Crore in the corresponding last financial year, representing an increase of 24.2% over the corresponding period of last financial year.

c. Net Profit for the financial year ended 31st March, 2024 was ₹1,015.05 Crore as against ₹828.39 Crore recorded in the previous financial year, representing an increase of 22.5% over the corresponding period of last financial year.

### Highlights of the Consolidated Results:

a. Revenue from Operations for the year ended 31st March, 2024 was ₹11,198.92 Crore as against ₹10,567.84 Crore in the corresponding last financial year, representing an increase of 6% over the corresponding period of last financial year.

b. EBIDTA (excluding other income) for the year ended 31st March, 2024 was ₹1,861.32 Crore as against ₹1,487.20 Crore in the corresponding last financial year, representing an increase of 25.2% over the corresponding period of last financial year.

c. Net Profit for the year ended 31st March, 2024 was ₹1,169.82 Crore as against ₹860.40 Crore in the corresponding last financial year, representing an increase of 36% over the corresponding period of last financial year.

The Board of Directors have recommended a dividend of ₹3.50 per equity share of ₹1/- each fully paid up for the financial year ended 31st March, 2024. Dividend is subject to approval of the shareholders.



## Management Discussion and Analysis

### Industry Structure and Development

The global economy is facing multiple challenges emanating from elevated inflation, tight monetary and financial conditions, escalating geopolitical tensions, rising geoeconomic fragmentation, disruptions in key global shipping routes, high public debt burdens and financial stability risks. Global financial markets are on edge with recurrent bouts of volatility as every incoming data increases uncertainty around monetary policy trajectories of major central banks.

According to International Monetary Fund (IMF), global growth decelerated to 3.2% during 2023 from 3.5% in 2022. The pace of economic activity was dragged down, inter-alia, by restrictive monetary policy stances to tame inflation, protracted geopolitical tensions and sluggish recovery in China. The potential impact of climate change became increasingly evident, with economic losses due to extreme weather events. Global inflation fell to 6.8% in 2023 from 8.7% in 2022 on the back of easing commodity prices, favorable supply conditions and monetary tightening across major economies, but still remained at its highest level in over two decades. Inflation in respect of core items and services remained elevated, exhibiting persistence in major economies amidst tight labour market conditions.

Against the backdrop of subdued global economic activity and multiple headwinds, the Indian economy expanded at a robust pace in 2023-24 with real GDP growth accelerating to 7.6% from 7% in the previous year. Growth in private consumption demand, on the other hand, stood at 3% as against 6.8% a year ago. Government consumption demand was also subdued tracking fiscal consolidation. The foreign reserves stood at robust $642.6 billion.

The G20 Indian Presidency under the Finance Track accorded primacy to the broad themes of climate change, digitalization, and concerns of the Global South with priorities cutting across various working groups. Realizing the vision of 'Vasudhaiva Kutumbakam' – One Earth: One Family: One Future – the G20 Indian Presidency reaffirmed that the G20 remains the premier forum for global economic cooperation to steer the world through emerging challenges.

### Indian Paint Industry

The global economic outlook remains beset by multiple headwinds: inflation persisting above target with the pace of disinflation losing momentum; elevated public debt in major systemic economies and their repercussions on the global economy in the case of disorderly adjustments; financial stability risks from the higher for longer interest rates scenario; protracted geopolitical tensions; inefficiencies from geoeconomic fragmentation; and accentuated climate shocks.

The Indian Paints and Coatings market size is estimated at USD 9.56 billion in 2024 and is expected to reach USD 15.00 billion in 2029, growing at a CAGR of 9.38% during the forecast period (2025-2029). COVID-19 hampered the paint industry market in India. With economic uncertainties and a slowdown in various sectors such as real estate, construction, and automotive, the demand for paints decreased significantly. After Covid, there was pent up demand which pushed up volume sales. Inflation in raw material prices was passed on resulting in 10% higher value growth compared to volume growth in 2022-23. In 2023-24, volume growth slowed down a bit, though still in double digits. However, with raw material prices dropping, we dropped our product prices. The mix also shifted towards lower priced products. As a result, our value growth was in mid-single digit.

The traction in construction activity is likely to be sustained, supported by both residential and non-residential real estate demand. Sectors like waterproofing and construction chemicals are growing rapidly with present market size of around ₹ 15000 Crore in India. The Company along with its subsidiary is one of the leading players in this sector.

Architectural coatings are used for both residential buildings and commercial purposes, such as office buildings, warehouses, retail convenience stores and shopping malls. These coatings can be applied on outer and inner surfaces and include sealers or specialty products. India has been experiencing rapid urbanization and infrastructure development, which has led to a surge in construction projects. Thus, this has directly increased the demand for architectural paints used in buildings and structures.

The residential sector in the country is on an increasing trend, with government support and initiatives that are permanently boosting the demand. The Ministry of Housing and Urban Development (MoHUA) allocated the funds for the construction of

## Report of the Directors and Management Discussion and Analysis (Contd.)

houses. The Pradhan Mantri Awas Yojana, a flagship mission of the Government of India, aims at ensuring a pucca house to all eligible households thus boosting the demand for paints and coatings.

Also, the country is expanding its commercial sector, which has a positive impact on the architectural emulsion coatings market. Therefore, due to the factors mentioned, the demand for paints for the architectural segment is expected to witness robust growth in India in the upcoming period.

India's journey towards becoming a developed nation hinges significantly on improving its infrastructure, a cornerstone for fostering liveable, climate resilient and inclusive cities that drive economic growth. With more and more spending on roads and highways, railways, ports and airports the demand for protective coatings and construction chemicals would increase. Private sector partnerships have emerged as crucial enablers in this endeavour, bringing in much needed investment, innovation and efficiency. The Company is positioned number 1 in the Protective Coatings category.

The automotive sector has bounced back last year and has been growing at a faster rate than the previous year. There has been a strong growth in the car category while two-wheelers and commercial vehicles grew at a slower pace. Tractors had muted growth rate. The General Industrial category grew at a moderate pace. Meanwhile, powder coatings suffered due to change in norms in the fan industry but is back on growth path.

### Company's Operations

Berger began its operations a century ago in 1923 with only one manufacturing unit in Howrah, West Bengal. Presently, Berger holds the second position in India among all paint companies. This would not have been possible if our products were not in demand. The trust in our brand, repeat buying, no compromise in quality, regularly adding features to our products, innovative mindset, stable workforce are some highlights of our journey during the last 100 years.

We are proud that our entire team at Berger are passionately engaged with the Company. It cannot only be a transactional relationship since we believe that stability cannot be measured in terms of money. The challenges that we offer to our employees in terms of job content, conducive work environment including work life balance, exciting challenges with an open culture makes it one of the best organizations to be a part of and contribute, deliver results, exchange information and strive for an even better tomorrow.

Looking back at these 100 years journey, it can be said that the organisation has strong fundamentals. Berger family has been on the path of growth wherein money, technology, resources have mostly been generated by the Berger team itself. We always realize that there is a scope for improvement and that is how we have come up and established ourselves as the number two paint company in the country. We feel that competition will always be there, but we are confident that competition will not bother us. Our joint venture partners have remained with us for years and not a single joint venture has been cancelled only depicting the fact that we are reliable, transparent, adjusting and can stay strong even if there is rough weather. The tag line 'Sadiyo se viswas, hamesha hamara saath' is an apt expression when we are delighted to see that our shareholders, employees, dealers, consumers, contractors, JV partners, painters are mostly stuck to us for many, many years now.

At Berger, our mission is to deliver and innovate high-quality painting solutions that enhance the aesthetics and protection of every space we touch. Our vision is to be a global leader in the paint industry, setting benchmarks in technology, quality and customer service. We are committed to sustainability, customer satisfaction and continuous improvement driving us to create products and services that not only meet but exceed the expectations of our valued customers. Our core values of integrity, excellence and innovation guide us in every endeavour, ensuring we remain a trusted and respected name in the industry.

The Company launched many new products during the year out of which, significant ones are as follows:

In the luxury emulsion interior category, we launched **"Glamor Dazzle,"** a shiny addition to our Glamor range. This product delivers an ultra-high sheen finish with unmatched washability, targeting the super luxury segment and reinforcing our position in the interior luxury market, especially for the sheen-loving eastern Indian consumer. Additionally, we introduced **"Easy Clean Silky Touch"**, another luxury offering that combines the trusted washability of Easy Clean with a new, smooth finish. Positioned in the entry luxury interior emulsion segment, this product aims to consolidate our footprint across India. Expanding our premium exterior emulsion segment, we launched **"Anti Dustt Kool,"** which keeps exterior surfaces dust-free while cooling indoor temperatures by up to 5 degrees Celsius, addressing the needs of India's warm and dusty climate.

In the economy segment, we launched **"Berger Ceiling White,"** a bright white matt finish paint designed specifically for ceilings, which is expected to significantly boost our volume business.

Under the Berger Home Shield brand, we introduced three innovative products: **"Roof Kool & Seal,"** utilizing PU Acrylic Hybrid technology to waterproof roofs and cool them by upto 10 degrees Celsius; **"Acrylic Sealant,"** a versatile product replacing traditional methods for sealing cracks and gaps, paintable and flexible enough to fill gaps up to 20mm on both interior and exterior surfaces, and **"Epoxy Tile Grout,"** a UV-resistant, crack-free grout offering waterproofing for tiles and stones with a semi-gloss finish and a range of colors to match various tiles.

Berger continues to thrive and grow with several well-established products recognized for their technological advancements and superior performance. Products such as **"Berger Silk Glamor"** and **"Berger Easy Clean"** are renowned for their premium quality and durable finishes. Our **"Berger WeatherCoat Long Life 10,"** and **"Berger WeatherCoat Long Life 15"** incorporate nano-technology and PU Silicon chemistry, offering long-lasting protection with warranties up to 15 years, and have received excellent responses from launch markets. "**Berger WeatherCoat Anti Dustt"** and **"Berger WeatherCoat Anti Dustt Kool"** utilise dust guard and heat reflective nano-technology, ensuring long-lasting cooling and dust-free exteriors, making them ideal for the Indian climate.

Berger Paints **"Express Painting"** was launched in 2015 and has revolutionised the painting industry by combining innovative techniques with a customer-centric approach. Express Painting service is preferred for its reliability, convenience, and premium quality. By integrating advanced tools and equipment, we have streamlined traditional painting methods, significantly reducing painting time and delivering a flawless, professional finish. Our reputation for excellence and differentiated products has been crucial to the success of Express Painting. With trained painters using cutting-edge technology, we provide durable, visually appealing results that exceed customer expectations. Understanding the challenges associated with painting, it offers an environmentally friendly and hassle-free experience.

We, at Berger have introduced the 'iTrain Program' as a CSR initiative towards skilling and up-skilling of painters through extensive training programs spread across the length and breadth of the country. These programs are aimed at equipping painters with innovative products and methods of painting thus resulting in learning and improving the quality of life of those trained in these academies. In order to ensure that existing painters as well as aspiring painters in far-flung areas of the country receive training, the model of mobile iTrain vans have been hugely successful. These iTrain vans travel to remote locations and carry out training. These mobile iTrain vans are presently managed by Smile Foundation, a reputed NGO who has entered into a Memorandum of Understanding (MOU) with the Company for carrying out mobile iTrain activity on behalf of the Company thus bringing in more efficiency into the program. While traditionally painting has been a male-dominated profession, Berger has been committed to empowering women in the industry by providing them training and vocational skills and encouraging them to take up painting as a profession. This has resulted in gradual increase in women participation in the iTrain program and as a result of that, many more women are expressing their interest to take up painting as a profession for their livelihood.

During the financial year 2023-24, the retail sales and distribution division of your Company made significant strides with several initiatives, achievements, and innovations. The division expanded its network through strategic initiatives, enhancing the reach and efficiency of distribution channels across urban and rural markets. During the year under review, your Company installed 7848 Color Bank machines. New Retail Outlets were opened. The distribution business continued to outperform, registering a growth of 30.4%. The home shield category also delivered a robust growth of 39% over the previous year. Many new 'Kolor & Style' outlets were opened and attracted a lot of footfalls. During the year, our dealer channel and painter community had seen the benefits of several organization wide digitization projects. Solutions like WhatsApp ordering, App-based purchases by Painting Contractors, Last mile Delivery Tracking have all been implemented countrywide in a phased manner. This has resulted in far greater efficiencies and ease of doing business for our dealers and contractors.

Waterproofing and construction chemical business has increased many folds during 2023-24. Alongwith our subsidiary STP Limited, we are now a leading player in the construction chemicals and waterproofing category in India. We expect to be comfortably in top 3 in India in the construction chemicals and waterproofing by the end of 2024-25. A slew of new products was launched in this category. Roof Kool and Seal, Bitu Seal DPC and Sealants were some significant products which were introduced during the year. The Company has been able to add a lot of value to this space. Scientific waterproofing solutions have been provided across the country through trained applicators.

## Report of the Directors and Management Discussion and Analysis (Contd.)

Prolinks, the project sales division of our Company, has been thriving amidst India's robust development across infrastructure, real estate, and industrial sectors. A dedicated focus on construction chemicals has been reinforced through the establishment of a specialized task force, enhancing our capability to cater to this critical segment. As we witness the resurgence of maintenance activities for buildings erected during the real estate boom of the past decade, there is a burgeoning opportunity in painting and waterproofing services. Prolinks is well-positioned to capitalize on these emerging needs. Furthermore, recognizing the potential in smaller projects in major urban areas, a dedicated team has been mobilized to target these opportunities effectively. With these strategic initiatives and favorable market dynamics, Prolinks stands poised for significant growth, expected to be a key contributor to the overall expansion of our Company.

In FY 2023-24, the Protective Coatings Division of Berger Paints 'Protecton', demonstrated remarkable progress and growth across various parameters, reflecting its commitment to innovation and excellence. During the year under review, several new innovative products were introduced which enriched the product portfolio and enhanced market competitiveness. In the road marking segment, SIGMARK Smart was launched in November, 2023. This low-cost variant in the road marking sector was introduced due to its cost effectiveness and quality and very quickly it has become the preferred choice for many projects, being budget friendly. In protective coatings, Thermo Indicative Paint was introduced which successfully replaced the product which was earlier bought from the competitor. This paint has demonstrated superior performance in high temperature and has the ability to change color with temperature variations and provides an additional layer of safety. Responding to the demand of the chemical industry, the Protecton division with the assistance from the R&D developed a new range of high chemical resistance coating to provide superior protection against harsh chemicals and corrosive environments, ensuring the longevity and integrity of the equipment and structures they are applied to. Quick Drying Polyurethane Matt Finish has been introduced to cater to the needs of infrastructure projects requiring fast turnaround times. Its quick-drying properties significantly reduce downtime, making it ideal for large-scale projects such as airports and metro stations. Water Regulations Approval Scheme Certified Pipe Coating comply with rigorous health and safety standards, ensuring that they are safe for use in potable water systems. The introduction of this product helped the Company secure significant orders from major clients in the pipe manufacturing sector. Can and Cap Coating earmarked our entry into the food and beverage market, the coating is designed to provide excellent adhesion, flexibility, and corrosion resistance, ensuring the safety and longevity of canned goods. Several prestigious projects were handled during the year under review which included HRRL Rajasthan Refinery, IOCL J18 Expansion Project and Khurja Super Thermal Power Plant. In the infrastructure sector, Protecton division received orders from Lucknow Adani Airport, National Capital Region Transport Corporation (NCRTC) Rapid Metro Station and Jewar Airport, Noida. Orders were also received from Bharat Earth Movers Limited, Maruti Suzuki Kharkhoda, Titagarh Wagon Factory and also for the prestigious Vande Bharat coaches. In the road marking segment, orders were received for the prestigious Bhupen Hazarika Setu. In the chemical resistance coating segment, orders were received from Sriram Alkalies & Chemicals, Gujarat Fluoro Chemicals, ACG Chemicals and Privi Chemicals. Supply and Apply contracts for IOCL refineries, Rajdhani and AC coaches at MCF Raebarelli and ONGC offshore are being executed as per specification. The Protecton business is poised to further expand its product portfolio, increase footprints in international markets and invest in cutting-edge technologies such as nanotechnology and smart coatings to deliver superior performance and enhanced durability.

The Auto and General Industrial division of Berger made significant strides forward during FY 2023-24. The auto division entered the bus body business. The division has also entered the E – Rickshaw segment in a major way. In the GI segment, efforts are on to open more and more dealers to expand our business. Low bake/Energy saving product has been introduced for supplying to esteemed European and Japanese customers. Efforts are being made to obtain more share of business in the two-wheeler and tractor category.

Berger Paints Powder Coatings has all along been a dominant player in the market and has strong presence in major segments like automotive, electric fan, furniture, home appliances, architecture, dish antenna, storage solution, power solution, lighting fixtures etc. Berger's unwavering commitment to excellence, trust and innovation has propelled us forward, even during challenging times. Some key highlights for 2023-24 includes 'REBACOAT', a brand synonymous with sustainability and functionality. Our fusion bonded epoxy powder coatings now serve TMT Bars (REBAR), Pipes, and more. We have collaborated with major REBAR manufacturers and vendors across India setting a new standard for quality and durability. Our breakthrough achievement lies in developing powder coatings that withstand extreme temperatures (650-700°C). The Applications span from Auto-Mufflers to Stove Tops and Barb-Q Grills. Our innovation aimed towards sustainability includes reducing fuel consumption by nearly 20% compared to conventionally cured coatings. By lowering temperatures, we have transformed industries like generators, air conditioners and heavy earthmovers. We have received the best supplier award from M/S IFB Industries, Goa. We have also embarked on a mission to introduce brilliant metallic shades to major OEMs in home appliances, automotive, metal and furniture segments wherein customization meets excellence. We have also successfully partnered with new customers in the storage solution segment. Atomberg Technologies Pvt Ltd is in the business of revolutionizing India's home appliances, known for its energy-efficient and innovative products. We have been a part of their journey from the outset and continue to be their trusted and major supplier of powder coatings for their electric fans.

The Research and Development (R&D) activity of the Company has been effectively supporting the business and is responsible for the Company's robust growth. With value for money and safe to use products, the customer experience has been better. Lean formulations, raw material options, process efficiency has ensured that our business remains profitable. With an eye towards the environment, low VOC paint has been manufactured, processes made more energy efficient with low carbon footprint and extended product life cycle. Our R&D makes constant endeavours to strengthen new technology platform, use new dispersion technology, leverage emulsion strength and improve industrial resin product development quality. During the year under review, 2 (Two) patents were granted against applications made by the Company earlier while 2 (Two) fresh patent applications were filed by the Company.

In the Information Technology front, the key initiatives during FY 2023-24 included the following: Implementation of business intelligence and analytics – Tableau 2.0 which has established itself as a powerful data visualization tool that allows users to connect to a wide range of data sources, including corporate databases, Customer Relationship Management (CRM) systems, excel files and web-based data. With Tableau, the users can create visually stunning dashboards that reveal patterns and insights for business intelligence analysis. Business analytics with Tableau can provide numerous benefits, including improved decision-making through data-driven insights, increased efficiency and productivity through automation of data analysis and enhanced collaboration and communication through shared dashboards and visualizations. Implementation of endpoint security solution across Berger's ecosystem to protect the Company's cyber space. In the fiscal year 2023-24, CrowdStrike continued to provide exceptional Managed Detection and Response (MDR) services for servers and Endpoint Detection and Response (EDR) solutions for end-users. Our dedication to innovation, expertise and pursuit of excellence in cyber security has allowed us to effectively protect the organization from ever-changing cyber threats.

To summarise, the implementation of CrowdStrike's MDR and EDR solutions allow us to enhance cyber security, reduce risks, and protect our vital assets. We have also implemented integrated Oracle Warehouse Management System (WMS) with the efficiency of ABB machines for palletization and Automated Storage and Retrieval Systems (ASRS).

Last financial year had once again been an exhilarating one in supply chain and logistics domain at Berger. So true to Berger ethos and as we had institutionalized for some years now, we had continuously worked on systems and processes, bringing in new, better ways of doing challenging tasks. We have innovated, rediscovered and further improved operational efficiencies. The results were extremely encouraging when we look back and realize that we have consistent lowest number of days of finished goods inventory in retail business line, ever. Some path breaking processes and system level tweaks to tackle the problem of slow-moving goods were implemented which resulted in our slow moving percentage to sales going down to ever lowest numbers.

With the successes of O9 – our integrated supply chain platform, we have initiated to implement the same in our industrial business line as well. This is supposed to give remarkable operational efficiencies in our industrial business, same as we have already experienced in decorative business. Efforts are on towards digitization of primary logistics and procure to pay cycle, through another new-gen logistics platform 'Pando'. Once this is fully operational, it will transform our primary transportation landscape. The 'WMS' (Warehouse Management System) implementations in our factories and warehouses had continued relentlessly, as it happened in the earlier years. This makes our warehouse handling one of the best in the world and goes a long way in improving channel partner and customer experience.

The bold experiments done in supply chain and logistics space mostly paid off and helped us in navigating the challenges and improve our supply chain operations, aided to create customer delight and helped create an even stronger and knowledge driven team.

The procurement landscapes had remained challenging for strategic and important raw materials like titanium dioxide, monomers, Penta etc. Due to domestic policy environment, initiation of anti-dumping investigations, geo-political tensions induced sea-freight issues, the challenges were many. The challenges were effectively neutralized by proactively opening new sourcing geographies and planned Free-On-Board (FOB) movements.

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In this digital space, AI driven MyColor app, Oracle HRMS, Salesforce-CRM, supply chain O9 helped us move forward significantly in term of sales, marketing and logistics.

The HR function at Berger during FY 2023-24 concentrated on succession planning, leadership capability training, employee survey and other engagement initiatives. The key focus and challenge would be to arrest attrition in front line sales force and better training and market readiness for new recruits.

While reflecting on a year of achievements and forward momentum, manufacturing spearheaded initiatives embodied our commitment to innovation, excellence, and sustainability, ensuring our continued endeavour towards achieving leadership position. We have emphasized digital manufacturing with live real-time manufacturing performance dashboards, online monitoring of statutory compliances, calibration tracking and many more. Our core strength, innovation, was reaffirmed by replacing conventional grinding methods with advanced technologies, significantly reducing process cycle times and enhancing operational safety as exemplified by the ongoing Project "All Out". Our flagship ESG initiative, project JAL, has drastically reduced Effluent Treatment Plant load, specific water consumption, and groundwater intake, alongside lowering water treatment costs. Through our Clean to Green initiative and 4R activities, we have significantly reduced hazardous waste like washing solvents across all factories. Customer satisfaction remains paramount, leading to the launch of the T-24 initiative, ensuring customer complaint resolution within 24 hours by the nearest quality personnel. We have transitioned to alternative green fuels, including bio-briquettes and biomass sources replacing conventional fuels to reduce greenhouse gas emissions and enhance sustainability. Today almost all our manufacturing units are running on solar power. The Sanchayan project has been a gamechanger, maximizing yield and minimizing losses. It is now expanding to include subsidiaries, broadening its positive impact. Berger has set a new sustainability benchmark in the Indian Paint Industry with the introduction of a revolutionary Green STP at our plant, requiring zero electrical power, chemicals, or human intervention, at no additional cost. Our legacy of trust and ongoing innovation propels us towards a future of continued success and leadership.

## Focus and Outlook for 2024-25

The Indian economy is navigating the drag from an adverse global macroeconomic and financial environment. Real GDP growth is robust on the back of solid investment demand which is supported by healthy balance sheets of banks and corporates, the government's focus on capital expenditure and prudent monetary, regulatory and fiscal policies. As headline inflation eases towards the target, it will spur consumption demand especially in rural areas.

Digital payments would be shaped through the pillars of integrity, inclusion, innovation, institutionalisation and internationalisation. India is poised to actively contribute to the sharing of knowledge regarding Digital Public Infrastructures, facilitating the creation of similar frameworks in other emerging nations. Furthermore, forward looking initiatives such as the establishment of a cloud facility for the Indian financial sector and the creation of a FinTech repository are expected to enhance operational efficiency, reduce complexity and promote financial innovations.

The domestic economy exhibited growth in 2023-24, underpinned by strong investment activities, amidst subdued external demand. The GDP growth stood at 7.6%. The GDP growth constituted of investment growth of 10% and a muted consumption growth of 4%. Generally, the paint and coatings industry's volume growth is 1.5 to 2% of the consumption growth in India. Going by this logic, the paint and coatings industry's volume growth should have been 8% whereas we have grown by 12%. However, the value growth was lower by 6% due to price drop and product mix change. The Company gained market share in the listed space in India by 0.5% during FY 2023-24 and the same stood at 19.7%.

The growth outlook remains buoyant, given the government's sustained focus on capital expenditure while maintaining fiscal consolidation. Strong corporate balance sheets, rising capacity utilisation, double digit credit growth, healthy financial sector, and the ongoing disinflation are likely to be other growth levers. Lingering geopolitical tensions, geo-economic fragmentation and adverse climate shocks impart downside risks to the outlook.

India's construction sector, currently ranking as the world's third largest, posted strong growth in 2023-24. Steel consumption and cement production expanded by 11.9% and 9.1% respectively, in 2023-24. Pent-up demand and robust consumer sentiment for home ownership seen since the pandemic, maintained momentum in 2023-24.



## Projects

Odisha Industrial Infrastructure Development Corporation (Government of Odisha Undertaking) has allotted a piece of land measuring about 80 acres in mouza Kalibeti under Khurdha Tahasil in the District of Khurdha, Odisha for setting up a manufacturing unit by the Company for paints, intermediates and allied products with annual capacity of approximately 4,10,000 KL/MT. The Company plans to put up a modern technology – based environmentally sustainable unit for manufacture of paints, coatings, construction chemicals, intermediates including emulsions, resins and related products in the land allotted.

The Company has acquired 29.907 acres of land at Panagarh Industrial Park, Paschim Bardhaman District, West Bengal for the purpose of setting up a construction chemical plant, putty plant and also a resin manufacturing unit. This plant is expected to be commissioned by the end of 2025 subject to receipt of requisite approvals from the government, regulatory bodies.

## Opportunities and Threats

The Paint and coatings industry in India has experienced fast growing consumer demand. With a hike in per capita income, a few big players have decided to explore the paint and coatings business. A post pandemic boom of investments and infrastructure development has resulted in a demand spike from the real estate sector which roughly accounts for about 70% of the total coating demand in India.

The demand from real estate is expected to be robust in 2024-25 on expectations of significant project completions and increased government spending on affordable housing and infrastructure. With the promises made by the government under the PM Awas Yojana in addition to 40 million houses already under construction, the demand for paint and coatings would only gain momentum, encouraging new players to bait on the sector.

Demand for repainting, which accounts for 80% of the total decorative paint demand, is also expected to pick up due to factors such as growing population, increased rental homes, and growth in the income levels of consumers.

Given India's strong economic fundamentals, future growth potential, and zeal for 'Make in India' the Indian paint industry is poised for a colourful future. Digital transformation initiatives, AI driven applications, focus on 'Reimagining' or adopting a fresh and innovative approach for sustainable growth are key trust areas for India's paint and coatings industry.

The threat caused due to COVID-19 pandemic are still in our memories and the continuing conflict in eastern Europe and a part of middle east adds to the anxiety and uncertainty. With the paint and coatings industry doing well, the competition is expected to be stiffer with a number of business conglomerates planning to enter this sector. Moreover, the growth of this industry largely depends on the growth of real estate in the constructive industry as also the repainting cycle. Berger is well positioned to handle competition with its innovative mindset, digital interventions including AI, skilled workforce, scientific, training modules, planning ahead of time, ably supported by government policies and continued stress on sustainability initiatives.

With massive capex investments planned, coupled with green field and brown field projects, capacity expansion with continued stress on sustainability initiatives, the paint industry as a whole is expected to grow inspite of challenges.

## Risks and Concerns

The Company has the risk management and materiality policy approved by the Business Process and Risk Management Committee, Audit Committee and the Board of Directors. The policy provides a well-articulated framework for identification of risks inherent in the business operations of the Company and the methods of mitigation in a lucid manner on a continuous basis which are periodically reviewed and modified considering the size and the complexities of the business and the regulatory requirement from time to time. The risk management and materiality policy can be viewed at the following: **https://www.bergerpaints.com/about-us/policies/risk-management-materiality-policy**.

The last five years has seen many uncertainties and challenges with the war in Europe still continuing and the people of the world coming to terms with the disruptions caused due to the COVID-19 pandemic. The global inflation fell to 6.8% in 2023 from 8.7%

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in 2022 but still remained at its highest level in over two decades with inflation in respect of core items and services being on the higher side which meant that intricate planning had to be made and executed at each stage of business so that the growth remains unaffected.

Beyond the uncertainties, fortunately with innovative products, enthusiastic workforce, strong market presence and constant focus on profitability with young aspirational population at large, increase in consumption of paint is likely to happen. With the focus of the Company to cater to the needs of various strata of population striving to give them a better customer experience, the Company is confident to grow and achieve higher numbers inspite of new entrants knocking at the door.

The short-term and long-term goals and strategies need to be reviewed regularly in order to be ready and adaptable to the change.

### Internal Control Systems and their Adequacy

The Internal Control Systems of the Company are robust and commensurate with the nature, size and complexity of its business. Well-designed internal financial control measures as laid down and adopted continue to be followed by the Company. Policies and procedures, as approved by the Board have been adopted by the Management of the Company for ensuring orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records and timely preparation of reliable financial information. Good governance, well defined systems, processes and policies, risk assessment, a vigilant control function, communication and monitoring and an independent internal audit function are the foundation of the internal control systems. The Internal Audit function of the Company continues to provide assurance on functioning and quality of internal controls along with adequacy and effectiveness through periodic reporting. The Internal Risk and Control function also evaluates organizational risk along with controls required for mitigating those risks. The control activities continue to incorporate, among others, continuous monitoring, routine reporting, digital business environment with minimum possible manual intervention, checks and balances, purchase policies, authorization and delegation procedures, audits including compliance audits, which are periodically reviewed by the Audit Committee and the Business Process and Risk Management Committee. The performance of the Internal Audit department is also reviewed by the Board and improvements advised. Your Company has a Code of Conduct for all employees and a clearly articulated and internalized delegation of financial authority. Your Company also takes prompt action on any violations of the Code of Conduct by its employees.

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

### Key Financial Ratios

| Ratios | Standalone | | Consolidated | |
|---|---|---|---|---|
| | Current Year 2023-2024 | Previous Year 2022-2023 | Current Year 2023-2024 | Previous Year 2022-2023 |
| Debtor's Turnover | 10.15 | 10.49 | 8.73 | 9.20 |
| Inventory Turnover | 3.11 | 2.99 | 3.16 | 3.07 |
| Interest Coverage ratio* | 21.26 | 13.31 | 19.56 | 12.33 |
| Current Ratio @ | 1.78 | 1.34 | 1.83 | 1.40 |
| Debt Equity Ratio # | 0.12 | 0.25 | 0.14 | 0.26 |
| Operating Profit Margin | 13.74 | 11.74 | 14.03 | 11.45 |
| Net Profit Margin ## | 10.15 | 8.75 | 10.45 | 8.14 |
| Return on Net Worth** | 21.83 | 20.56 | 23.65 | 20.40 |

**Note:** *There was a 59.73% change in Company's Standalone Interest Coverage Ratio as well as 58.64% change in Company's Consolidated Interest Coverage Ratio on account of reduction in finance cost.

@There was a 32.83% change in Company's Standalone Current Ratio as well as 30.71% change in Company's Consolidated Current Ratio on account of decrease in current liabilities in current financial year as compared to previous financial year due to decrease in short term borrowings.

#There was a 52% change in Company's Standalone Debt Equity Ratio as well as 46.15% change in Company's Consolidated Debt Equity Ratio on account of decrease in borrowings in current financial year as compared to previous financial year.

## There was a 28.38% change in Company's Consolidated Net Profit Margin on account of increase in net profit.

**There was a 6.18% change in Company's Standalone Return on Net Worth as well as 15.93% change in Company's Consolidated Return on Net Worth on account of increase in average total equity.

### Adequacy of Internal Financial Controls Related to Financial Statements

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

### Employee Stock Option Scheme

Your Company had earlier re-introduced the ESOP Scheme, aligned with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 in the year 2016 in accordance with the approval of the members granted at the Annual General Meeting held on 3rd August, 2016, to reward eligible employees.

In accordance with the aforesaid scheme of 2016, the Compensation and Nomination and Remuneration Committee has granted 1,24,249 options on 8th November, 2023 to 283 eligible employees including the following Key Managerial Personnel: -

| S. No. | Name | No. of options granted |
|---|---|---|
| 1 | Mr Abhijit Roy | 1640 |
| 2 | Mr Kaushik Ghosh | 841 |

The Compensation and Nomination and Remuneration Committee has also allotted during the year 89, 067 equity shares of ₹1 each (face value) to eligible employees (including Key Managerial Personnel) upon exercise of options earlier granted to them. The allotment of the aforesaid shares was made on 18th December, 2023 (36,858 equity shares), on 31st January, 2024 (25,884 equity shares) and on 18th March, 2024 (26,325 equity shares) respectively.

For further details, please refer to **Annexure II** to this report where detailed information required to be disclosed in terms of the provisions of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 are enclosed.

Please also visit the weblink: **https://www.bergerpaints.com/investors/download** for disclosures under Regulation 14 of the aforesaid Regulations.

### Human Resources

At Berger Paints, our employees are the bedrock of our success. They are the embodiment of our legacy of trust and the driving force behind our commitment to innovation.

Our legacy of trust is built on a foundation of our culture pillars and core values of accountability, customer orientation, ethics, integrity, trust and respect. At Berger, we strive to create an environment where our employees feel valued, supported and empowered to reach their full potential.

We are committed to nurturing talent and ensuring seamless leadership transitions to drive our future success. In the fiscal year 2023-24, we have intensified our focus on building capability and succession planning, recognizing that our people are our most valuable asset.

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At Berger, we develop talent through structured and immersive learning journeys for building and enhancing leadership capabilities for **Dronacharyas** and **TopGuns**. 'Dronacharyas' comprising General Managers, Associate Vice Presidents, Senior Vice Presidents, Vice Presidents, are led by the Managing Director and CEO as a forum for mentoring and developing our TopGuns (Key Talents). The '**Line Manager Capability**' programme has been developed for employees in the managerial cadre and aim at enhancing their functional understanding of Berger's way of leading teams. We continue to explore newer channels of learning with platforms like LinkedIn Learning, UpGrad and CoursePlay. We have seen a shift in consumption of learning which is now byte sized modules consumed on the go. Our campus engagement focuses on strengthening ties with top universities across the country with an aim to cultivate future talent. Our internship and graduate programmes like sales training programme, summer internship programme, (IGNITE), future leaders' acceleration and management excellence (FLAME) for management trainees aim to build a strong leadership pipeline and offer students practical experience, allowing them to apply their academic knowledge in a real-world setting. Interns and trainees are paired with mentors who guide them through their projects and help them develop their skills.

As a part of digital transformation, we have integrated our DarwinBox HRMS and digitalized the entire employee lifecycle management along with all other employee processes. During the financial year 2023-24, we have placed a strong emphasis on employee engagement, recognising its critical role in fostering a motivated, committed, and high performing workforce. Our Managing Director and CEO conducts annual town halls to discuss Company performance, share strategic updates, and answer employee questions. We have also introduced spotlight awards to highlight the top sales incentive earners in retail sales function. Our long service awards recognize and honour employee's dedication and loyalty to the organization, celebrating their significant contributions over 15, 20 and 25 years. The annual employee engagement survey to assess and measure the overall level of engagement, satisfaction, and motivation among employees within the organization not only gathers feedback directly from employees but also helps organization in informed strategic decision making, human resources policies and organizational initiatives to better align with employee needs and expectations.

At Berger, we strive to promote diversity and inclusion. Our 'Stree Shakti' initiative has been a success story all along. We practise implementing fair and unbiased recruitment and promotion processes. We regularly assess and address any potential biases in policies and practices.

We are excited about the journey ahead and are confident that with our dedicated and talented team, we will continue to shine brightly, setting new standards of excellence in the industry. Together, we are not just preserving a legacy – we are building a future.

The overall Industrial Relations climate continued to remain harmonious and peaceful during the year. The number of employees as on 31st March, 2024 was 4,445 (31st March, 2023 – 4,088). The Industrial Relations were generally satisfactory during the financial year.

## Transfer of Shares to the Investor Education and Protection Fund

The Ministry of Corporate Affairs (MCA) vide notification no. S.O.2866 (E) dated 5th September, 2016 enforced Sections 124(6) and 125 of the Companies Act, 2013 (hereinafter "the Act") read with the Investor Education and Protection Fund [IEPF] (Accounting, Audit, Transfer and Refund) Rules, 2016 (as amended), which require companies to transfer the underlying shares to the IEPF, in respect of which the dividends have remained unclaimed for a consecutive period of seven years. Accordingly, during the year under review, on 29th April, 2023, and on 9th November, 2023, the company had transferred 1,94,746 equity shares and 1,09,860 equity shares respectively, totalling 3,04,606 equity shares to the IEPF. Additionally, 12,31,402 bonus shares were also transferred to the IEPF totalling 15,36,008 equity shares.

## Prevention of Sexual Harassment

The Company has adopted zero tolerance for Sexual Harassment at Workplace and has formulated a policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules thereunder for Prevention and Redressal of Complaints of Sexual Harassment at Workplace. Awareness programmes were conducted by the Company.

Berger Paints - Prevention of Sexual Harassment of Women at Workplace Policy can be viewed at:
**https://www.bergerpaints.com/about-us/policies/sexual-harassment-women-workplace-policy**.

The Company has complied with the provisions laid in the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has set up such committee and the complaints with regard to Sexual Harassment at Workplace are placed before the committee for investigation.

During the year under review, one complaint relating to Sexual Harassment was received and investigated. The complaint has been closed and necessary action has been taken by 31st March, 2024.

## Subsidiaries and Joint Ventures

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

The following companies are wholly-owned subsidiaries of the Company's above named subsidiaries: - (i) Bolix S.A., Poland – wholly-owned subsidiary of Lusako Trading; (ii) Berger Paints Overseas Limited ("BPOL"), Russia - wholly-owned subsidiary of Berger Cyprus. Bolix S.A., Poland has 4 subsidiaries, viz.: Bolix UKRAINE sp.z.o.o., Ukraine ("Bolix Ukraine"), Build Trade sp.z.o.o., Poland ("Build Trade Poland"), Soltherm External Insulations Limited, U.K. ("Soltherm U.K."), Soltherm Isolations Thermique Exterieure SAS, France ("Soltherm France").

Surefire Management Services Ltd., UK ("SMS"), was a joint venture of Bolix S.A., Poland with Green Dynamo Ltd., U.K. Details in respect of SMS are provided in Part B of AOC-1 forming a part of the Financial Statements as on 31st March, 2024. In April, 2024 Bolix S.A. acquired the balance 25% shares of SMS from Green Dynamo Ltd., U.K. Consequently, SMS has now become a wholly owned subsidiary of Bolix S.A.

The Company has three other subsidiaries viz., Berger Rock Paints Private Limited (the other shareholder being Rock Paints Co. Ltd., Japan), Berger Hesse Wood Coatings Private Limited (the other shareholder being Hesse Shares GmbH, Germany) and STP Limited. The statement relating to the above companies as specified in Sub-Section (3) of Section 129 of the Companies Act, 2013 is attached to the Report and Accounts of the Company.

Beepee Coatings Private Limited earned a revenue from operations of ₹34.86 Crore during the year under review.

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

The consolidated revenue from operations of Lusako Trading Limited and Bolix S.A. (including its subsidiaries) is ₹442.35 Crore during the year under review. During the year under review, BJN-Nepal showed good performance with a revenue from operations of ₹205.12 Crore.

SBL Specialty Coatings Private Limited (earlier known as Saboo Coatings Private Limited) continued to perform well with a revenue from operations of ₹176.04 Crore during the year 2023-2024.

The consolidated revenue from operations of Berger Paints (Cyprus) Limited and its subsidiary Berger Paints Overseas Limited ("BPOL") was ₹17.74 Crore.

Berger Rock Paints Private Limited ("Berger Rock"), recorded revenue from operations of ₹31.26 Crore during the year ended 31st March, 2024.

Berger Hesse Wood Coatings Private Limited ("BHWCPL") (earlier known as Saboo Hesse Wood Coatings Private Limited) recorded revenue from operations of ₹23.05 Crore during the year ended 31st March, 2024.

STP Limited recorded revenue from operations of ₹362.74 Crore during the year ended 31st March, 2024.

Berger Becker Coatings Private Limited, the Company's joint venture with Becker Industrial Coatings Holding AB, Sweden, showed good performance with revenue from operations of ₹266.22 Crore.

Berger Nippon Paint Automotive Coatings Private Limited ("BNPA"), the Company's joint venture with Issac Newton Corporation, posted revenue from operations of ₹341.55 Crore.

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

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Pursuant to Regulation 16(1)(c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter "Listing Regulations"), a material subsidiary in a year shall be a subsidiary whose income or net worth exceeds 10% of the consolidated income or net worth respectively of the Company and its subsidiaries, in the immediately preceding accounting year. At present, there is no such material subsidiary of the Company within the meaning of the above Regulation.

## Consolidated Financial Statements

The duly audited Consolidated Financial Statements as required under the Indian Accounting Standard 110, provisions of Regulation 33 of the Listing Regulations and Section 136 of the Companies Act, 2013 have been prepared after considering the audited financial statements of your Company's subsidiaries and appear in the Annual Report of the Company for the year 2023-24.

## 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 relevant provisions of the Listing Regulations.

Pursuant to the Listing Regulations, as amended, a certificate obtained from a Practising Company Secretary certifying that the Directors of the Company are not debarred or disqualified from being appointed or to continue as directors of companies by the Securities and Exchange Board of India/Ministry of Corporate Affairs, forms part of the report as **Annexure B** to the Corporate Governance Report.

In terms of Section 204 of the Companies Act read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended), your Board at its meeting held on 15th May, 2024 appointed Messrs Anjan Kumar Roy & Co., Company Secretaries (FCS-5684/CP No.4557) as the Secretarial Auditor to conduct audit of the secretarial records for the financial year 2024-25, and to submit the Secretarial Audit Report.

The Secretarial Audit Report as received from Messrs Anjan Kumar Roy & Co., Company Secretaries in the prescribed Form No. MR-3 is annexed to this Board's Report and marked as **Annexure IV.** The Secretarial Audit Report does not contain any qualification, reservation or adverse remark. An Annual Secretarial Compliance report as per Securities and Exchange Board of India circular dated 8th February, 2019 and as amended vide NSE circular dated 16th March, 2023 and 10th April, 2023 is also attached as **Annexure V** as an additional disclosure.

## Compliance with the Secretarial Standards on Board and General Meetings

During the year under review, the Company has duly complied with the applicable provisions of the Secretarial Standards on meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI). In this regard, the Company has devised proper systems to ensure compliance of SS-1 and SS-2 and that such systems are adequate and operating effectively.

## Technology Agreements

Your Company has a Technical License Agreement with Nippon Paint Automotive Coatings Co. Ltd. of Japan.

## Fixed Deposit

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

## Weblink of Annual Return

The draft Annual Return (e-form MGT-7) for the financial year ended 31st March, 2024 is placed on the website of the Company i.e., **https://www.bergerpaints.com/investors/download** which is in compliance with the Companies (Amendment) Act, 2017, effective from 28th August, 2020. The e-form MGT-7 shall be filed with the MCA upon the completion of the 100th Annual General Meeting of the Company as required under Section 92 of the Companies Act, 2013 and the Rules made thereunder and a copy of the same shall be placed on the website of the Company.

## Business Responsibility and Sustainibility Report

SEBI has made it mandatory to publish a Business Responsibility and Sustainability Report (BRSR) by the top 1000 listed companies based on market capitalisation in their Annual Report in terms of Regulation 34(2)(f) of the Listing Regulations and file the same with the stock exchanges w.e.f FY 2022-23. SEBI vide circular dated 12th July, 2023 has updated the format for Business Responsibility and Sustainability Report, where it introduced BRSR Core for assurance by top 150 listed entities based on market capitalisation. The BRSR Policy can be viewed at **https://www.bergerpaints.com/about-us/policies/business-responsibility-and-sustainability-policy**. The BRSR report alongwith the assurance forms part of this report and is marked as **Annexure VII**.

## Particulars of Employees

The information required under Section 197, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the report and financial statements are being sent to Members and others entitled thereto, excluding the information on employees' particulars, which will be available for inspection up to the date of the AGM. Members can view such information by sending an email to **sumandey@bergerindia.com** / **rajibde@bergerindia.com**.

Further, we confirm that no employee employed throughout the financial year or part thereof received remuneration in the financial year that, on the aggregate, was more than that drawn by the Managing Director and Whole-time Directors and holds by himself or along with his spouse and dependent children more than 2 per cent of the equity shares of the Company.

The Managing Director and CEO and Whole-time Directors of the Company have not received any remuneration or commission from any of the subsidiary companies.

## Directors' Responsibility Statement

Your Directors wish to inform that the Audited Accounts containing Financial Statements for the financial year ended 31st March, 2024 are in full conformity with the requirements of the Act. They believe that the Financial Statements reflect fairly, the form and substance of transactions carried out during the year and reasonably present your Company's financial condition and results of operations.

Your Directors further confirm that:

i) The applicable Indian accounting standards have been followed and wherever required, proper explanations relating to material departures have been given,

ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period,

iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities,

iv) The Accounts have been prepared on a going concern basis,

v) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively,

vi) The Directors have devised proper systems to ensure proper compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

# Report of the Directors and Management Discussion and Analysis (Contd.)

## Policy on Appointment and Remuneration of Directors, Key Managerial Personnel and Other Employees

The Company has formulated a Remuneration Policy pursuant to the provisions of Section 178 and other applicable provisions of the Act and Rules thereof. The policy is based on the guiding principle aimed towards retaining and rewarding performers. There has been no change in the said policy during the financial year ended 31st March, 2024.

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

## Qualification or Reservations in the Statutory and Secretarial Audit Reports

Your Board has the pleasure in confirming that no qualification, reservation, adverse remark or disclaimer has been made by the Statutory Auditors and the Company Secretary in Practice in their Audit Reports issued to the members of the Company. The Statutory Auditors of the Company have not reported any fraud in terms of the second proviso to Section 143 (12) of the Act.

## Share Capital

The Authorised Share Capital of your Company as on 31st March, 2024 stood at ₹120,00,00,000 divided into 120,00,00,000 equity shares of ₹1/- each. The Issued Share Capital of your Company is ₹1,16,58,87,529 divided into 1,16,58,87,529 equity shares of ₹1/- each and the subscribed and paid-up capital is ₹116,57,96,049 divided into 116,57,96,049 equity shares of ₹1/- each fully paid-up. The subscribed and paid-up equity share capital as on 31st March, 2024 consists of bonus issue of 19,42,84,497 equity shares and 89,067 equity shares allotted under ESOP scheme of the Company.

## Issue of Bonus Shares

The Board of Directors at its meeting held on 9th August, 2023, decided to obtain consent of the shareholders through Postal Ballot under Section 110 of the Companies Act, 2013 read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014 and relevant circulars as issued by the Ministry of Corporate Affairs from time-to-time, in respect of the Special Resolution for issue of fully paid up bonus shares to the eligible shareholders of the Company in the proportion of 1:5 i.e., One (1) new fully paid-up equity share of ₹1/- (One) each for every Five (5) existing equity share(s) of ₹1/- (One) by capitalizing the sum standing to the credit of 'Securities Premium Account' of the Company, as per the audited financial statements of the Company for the financial year ended March 31, 2022. The shareholders approved the issue of bonus shares in the proportion of 1:5 through postal ballot, result of which was declared on 8th September, 2023. Pursuant to approval of the shareholders, the Company on 25th September, 2023 had allotted 19,42,84,497 bonus shares of ₹1/- (One) each (fully paid up) in the proportion of 1:5 to the eligible shareholders whose names appeared in the Register of Members as on 23rd September, 2023, being the record date fixed for this purpose. Following completion of all necessary formalities, the aforesaid bonus equity shares were credited to eligible shareholders account on 5th October, 2023. As a result of the bonus issue, the paid-up capital of the Company increased to ₹116,57,06,982 consisting of 116,57,06,982 equity shares of ₹1/- each from 97,14,22,485 equity shares of ₹1/- each.

## Credit Rating

Credit ratings obtained by the Company during the relevant financial year, for facilities specified in the table below are as follows: -

| Name of Entity | Instrument | Rating |
|---|---|---|
| CRISIL | Fund Based facilities from Banks | CRISIL AAA /Stable |
| CRISIL | Non Fund Based facilities from Banks | CRISIL A1+ |
| CRISIL | Commercial Paper | CRISIL A1+ |
| CARE | Commercial Paper | CARE A1+ |

There was no revision in rating during the year.

## Loans, Commitments and Contingencies, Investments

Particulars of loans given, investments made, guarantees given and securities provided, if any, along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided in the standalone financial statements (please refer Note Nos. 9 and 18 of the Standalone Financial statements).

## Related Party Transactions

The Company has always been committed to good corporate governance practices, including in matters relating to Related Party Transactions (RPTs). Endeavour is consistently made to have only arm's length transactions with all parties including Related Parties. The Board of Directors of the Company has a "Policy on Related Party Transactions" in terms of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Section 188 of the Companies Act, 2013 since 26th September, 2014. The policy is available at the following weblink: **https://www.bergerpaints.com/about-us/policies/policy-materiality-related-party-transactions-and-dealing-related-party**. The Company has also developed a Related Party Transactions ('RPTs') Manual and Standard Operating Procedures to identify and monitor RPTs and is in the process of adopting digitalisation in the matter of capturing RPTs.

All transactions with related parties are placed before the Audit Committee for approval and Board, as applicable. Prior omnibus approval of the Audit Committee is obtained for all the RPTs, which are foreseeable and repetitive and/or entered in the ordinary course of business and are at arm's length basis abiding by Transfer Pricing norms.

All related party transactions entered during the year were in ordinary course of the business and at arm's length basis. No material related party transactions, i.e., transaction with a related party exceeding Rupees one thousand Crore or 10% of the annual consolidated turnover, as per the last audited Financial Statements of your Company, whichever is lower, were entered during the year by your Company. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Companies Act, 2013, in Form AOC-2 is not applicable.

## Policy to Determine Material Events

As per the Listing Regulations, the Company has framed a policy for determination of materiality, based on criteria specified in the regulations. The weblink of the policy is **https://www.bergerpaints.com/about-us/policies/policy-determine-material-events**.

## Policy for Preservation of Documents

As per Regulation 9 of the Listing Regulations, the Company has framed a policy for Preservation of Documents, based on criteria specified in the said Regulations.

The Policy is available at the weblink: **https://www.bergerpaints.com/about-us/policies/policy-preservation-documents**.

## Significant Changes

During the financial year 2023-24, no significant change has taken place which could have an impact over the financial position of the Company. Further, except those disclosed in this Annual Report, there are no material changes and commitments affecting the financial position of the Company between the end of the financial year i.e., 31st March, 2024 and the date of this Report.

## Dividend

The total comprehensive income of the Company is ₹1015.19 Crore for the year 2023-24.

Your Directors have recommended a dividend of ₹3.50 per equity share of ₹ 1/- each for the financial year ended 31st March, 2024. Dividend is subject to approval of the shareholders at the ensuing Annual General Meeting. The dividend, if approved, will

## Report of the Directors and Management Discussion and Analysis (Contd.)

absorb an amount of ₹ 408.03 Crore (compared to ₹310.86 Crore in the previous year), based on the current paid-up capital of the Company. The dividend will be paid to those members holding shares in the physical mode whose names appear in the Register of Members as on 12th August, 2024 and for shares held in electronic form, to those whose names appear in the list of beneficial holders furnished by respective Depositories as at the end of business hours on 5th August, 2024.

The Company has not transferred any amount to the General Reserve during the financial year ended 31st March, 2024.

In accordance with Regulation 43A of the Listing Regulations, the Company has formulated a Dividend Distribution Policy. The Dividend Distribution Policy (though optional) is annexed to this Report (marked as **Annexure I**). The Policy is available at the following weblink **https://www.bergerpaints.com/about-us/policies/dividend-distribution-policy**.

In terms of the provisions of Section 124 of the Act, your Company has transferred an amount of ₹31,63,404 for 2015-16 (Final) to the Investor Education and Protection Fund in respect of dividend amounts lying unclaimed or unpaid for more than seven years from the date they become due.

Pursuant to the provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has filed the necessary form and uploaded the details of unclaimed amounts lying with the Company, as on 31st March, 2016 (Interim).

Pursuant to the changes introduced by the Finance Act, 2020 in the Income-tax Act, 1961, the dividend paid or distributed by a Company shall be taxable in the hands of the shareholders. Accordingly, in compliance with the said provisions, your Company shall make the payment after necessary deduction of tax at source.

### Conservation of Energy & Technology Absorption

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

### Foreign Exchange Earnings and Outgo

Foreign Exchange Earnings and Outgo of the Company are ₹4.35 Crore and ₹1145.29 Crore respectively. Primarily, earnings were from exports and consultancy services and outgo was towards import payments.

### Statement of Evaluation of Board of Directors and Committees thereof

Your Company understands the requirements of an effective Board Evaluation process and accordingly conducts the Performance Evaluation every year in respect of the following:

i. Board of Directors as a whole.

ii. Committees of the Board of Directors.

iii. Individual Directors including the Chairman of the Board of Directors.

In compliance with the requirements of the provisions of Section 178 of the Act, the Listing Regulations and the Guidance Note on Board Evaluation issued by SEBI in January 2017, your Company has carried out an Online Performance Evaluation process for the Board/Committees of the Board/Individual Directors including the Chairman of the Board of Directors for the financial year ended 31st March, 2024. During the year under review, the Company has complied with all the criteria of Evaluation as envisaged in the SEBI Circular on 'Guidance Note on Board Evaluation'.

The key objectives of conducting the Board Evaluation process were to ensure that the Board and various Committees of the Board have appropriate composition of Directors and they have been functioning collectively to achieve common business goals of your Company. Similarly, the key objective of conducting performance evaluation of the Directors through individual assessment and peer assessment was to ascertain if the Directors actively participate in the Board/Committee Meetings and contribute to achieve the common business goals of the Company.



The Directors carry out the aforesaid Online Performance Evaluation in a confidential manner and provide their feedback on a rating scale of 1 – 5. Duly completed formats were sent to the Chairman of the Board and the Chairman/Chairperson of the respective Committees of the Board for their consideration. The Performance Evaluation feedback of the Chairman was sent to the Chairman of the Compensation and Nomination and Remuneration Committee.

This year also, the outcome of such Performance Evaluation exercise was discussed at a separate meeting of the Independent Directors held on 6th February, 2024 and was later tabled at the Compensation and Nomination and Remuneration Committee meeting held on the same day. The Compensation and Nomination and Remuneration Committee forwarded their recommendation based on such Performance Evaluation Process to the Board of Directors and the same was tabled at the Board Meeting held on 6th February, 2024.

After completion of online evaluation process, the Board of Directors at its Meeting held on 6th February, 2024, also discussed the Performance Evaluation of the Board, its Committees and individual directors. The performance evaluation of Independent Directors of the Company were done by the entire Board of Directors, excluding the Independent Directors being evaluated and after being satisfied with the outcome, it was noted that the Committees were working effectively.

Pursuant to Section 178(3) of the Act and Regulation 19 of the Listing Regulations, the Remuneration Committee is entrusted with responsibility of formulating criteria for determining qualifications, positive attributes and independence of an Independent Director. This can be viewed at **https://www.bergerpaints.com/about-us/policies/criteria-determining-qualification-positive-attributes-and-independence**.

### Significant and Material Order passed by Regulators or Courts or Tribunals impacting the going Concern Status and Operations of the Company

Pursuant to Section 134(3)(q) of the Act read with Rule 8 of Companies (Accounts) Rules, 2014, it is stated that no material order has been passed by any regulator, court or tribunal impacting the Company's operations and its going concern status during the financial year 2023-24.

No application has been made under the Insolvency and Bankruptcy Code, 2016 against the Company; hence the requirement to disclose the details are not applicable. The requirement to disclose the details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable.

### Board of Directors, Board Meetings and Key Managerial Personnel

Your Company's Board is duly constituted and in compliance with the requirements of the Act, the Listing Regulations and provisions of the Articles of Association of the Company. Your Board has been constituted with requisite diversity, wisdom, expertise and experience commensurate to the scale of operations of your Company.

### Composition of Board

The Board comprises 11 Directors of which, 3 are Executive Directors (2 of whom are part of the promoter group), 2 are Non-Executive (both are part of the promoter group) and 6 are Non-Executive, Independent Directors. The composition of the Board is in conformity with Regulation 17 of the Listing Regulations read with Section 149 of the Act.

### Meetings

During the year under review, a total of five Meetings of the Board of Directors of the Company were held, i.e., on 20th and 21st April, 2023, 15th May, 2023, 09th August, 2023, 02nd November, 2023, and 06th February, 2024. Also, the Board of Directors have passed 9 (nine) resolutions by circulation. Details of Board composition and Board Meetings held during the financial year 2023-2024 have been provided in the Corporate Governance Report – **Annexure VIII** which forms part of this Annual Report.

# Report of the Directors and Management Discussion and Analysis (Contd.)

## Changes in Board Composition

Details of Directors' appointment/reappointment and change in board composition during the financial year under review are as follows:

| Sr. No. | Name of Director | Designation & Category | Reason and date of appointment/reappointment/ re-designation/retirement/resignation |
|---|---|---|---|
| 1. | Mr Kuldip Singh Dhingra (DIN: 00048406) | Non-Executive, Chairman/ Promoter (Non-Independent Director) | Mr Kuldip Singh Dhingra, Chairman – Non-Executive, Non-Independent Director of the Company retired by rotation and was re-appointed pursuant to Section 152(6) of the Act and Regulation 17(1A) of the Listing Regulations, at the 99th Annual General Meeting held on 11th August, 2023. |
| 2. | Mr Gurbachan Singh Dhingra (DIN: 00048465) | Non-Executive, Vice Chairman/ Promoter (Non-Independent Director) | Mr Gurbachan Singh Dhingra, Vice Chairman, Non-Executive, Non-Independent Director of the Company retired by rotation and was re-appointed pursuant to Section 152(6) of the Act at the 99th Annual General Meeting held on 11th August, 2023. |
| 3. | Mr Anoop Hoon (DIN: 00686289) | Non-Executive (Independent Director) | Mr Anoop Hoon was re-appointed as a Non-Executive, Independent Director of the Company for a period of five consecutive years from 1st February, 2024 to 31st January, 2029 pursuant to Sections 149(10), 150 and 152 read with Schedule IV of the Act and Regulations 16 and 25(2A) of the Listing Regulations at the 99th Annual General Meeting held on 11th August, 2023. |
| 4. | Mrs Sonu Halan Bhasin (DIN: 02872234) | Non-Executive (Independent Director) | Mrs Sonu Halan Bhasin was re-appointed as a Non-Executive, Independent Director of the Company for a period of five consecutive years from 1st February, 2024 to 31st January, 2029 pursuant to Sections 149(10), 150 and 152 read with Schedule IV of the Act and Regulations 16 and 25(2A) of the Listing Regulations at the 99th Annual General Meeting held on 11th August, 2023. |
| 5. | Mr Gopal Krishna Pillai (DIN: 02340756) | Non-Executive (Independent Director) | Mr Gopal Krishna Pillai was appointed as a Non-Executive, Independent Director of the Company for a period of five consecutive years from 15th May, 2023, as per Sections 149 and 160 of the Act and Regulation 17(1A) and Regulation 25(2A) of the Listing Regulations pursuant to shareholder's resolution passed at the 99th Annual General Meeting held on 11th August, 2023. |
| 6. | Mr Pulak Chandan Prasad (DIN: 00003557) | Non- Executive (Independent Director) | Mr Pulak Chandan Prasad ceased to be Non-Executive, Independent Director of the Company with effect from 1st April, 2024 after completion of his second term as an Independent Director of the Company. The Board recorded its sincere appreciation and gratitude for the services rendered by Mr Prasad and the guidance provided by him as a long standing member of the Board of Directors and member of the various Committee positions he held. |

Details of Directors seeking appointment/reappointment at the ensuing 100th AGM are as follows:

| Sr. No. | Name of Director | Designation & Category | Reason and date of appointment/reappointment/ re-designation/ retirement/resignation |
|---|---|---|---|
| 1. | Mr Kuldip Singh Dhingra (DIN: 00048406) | Non-Executive, Promoter (Non-Independent Director) | Mr Kuldip Singh Dhingra, Chairman – Non Executive, Non-Independent Director of the Company is due to retire by rotation at the ensuing Annual General Meeting. He offers himself for re-appointment as a Non-Executive, Non-Independent Director under Section 152(6) of the Act.<br><br>Since, Mr Dhingra has attained the age of 75 (seventy five) years and will retire by rotation at the ensuing Annual General Meeting before getting re-appointed as a Director of the Company, therefore, a Special Resolution under Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been proposed in the Notice of the forthcoming Annual General Meeting. |
| 2. | Mr Gurbachan Singh Dhingra. (DIN: 00048465) | Non-Executive, Promoter (Non-Independent Director) | Mr Gurbachan Singh Dhingra, Vice-Chairman – Non Executive, Non-Independent Director of the Company is due to retire by rotation at the ensuing Annual General Meeting. He offers himself for re-appointment as a Non- Executive, Non-Independent Director under Section 152(6) of the Act.<br><br>Since, Mr G S Dhingra will attain the age of 75 (seventy five) years on 9th April, 2025, therefore, a Special Resolution for continuation of his directorship even after attaining the age of 75 (seventy five) years under Regulation 17(1A) of the Listing Regulations has been proposed in the Notice of the forthcoming Annual General Meeting. |
| 3. | Mr Kanwardip Singh Dhingra (DIN: 02696670) | Executive, Promoter (Non-Independent Director) | Mr Kanwardip Singh Dhingra, Executive Director, was re-appointed as an Executive Director in Whole-time employment of the Company for a period of 5(five) consecutive years from 3rd August, 2019 to 2nd August, 2024. He would resign as a Whole-time Director of the Company with effect from 3rd August, 2024, vide a letter dated 2nd May, 2024, which was presented at the Board meeting held on 15th May, 2024 and was duly accepted by the Board. However, he has expressed his desire to continue as a Member of the Board as a Non-Executive Director of the Company. Accordingly, he would be re-designated as a Non-Executive, Non-Independent Director from 3rd August, 2024 subject to the approval of the shareholders in accordance with Regulation 17(1D) of the Listing Regulations and Section 152 of the Act at the forthcoming Annual General Meeting. |

## Report of the Directors and Management Discussion and Analysis (Contd.)

| Sr. No. | Name of Director | Designation & Category | Reason and date of appointment/reappointment/ re-designation/retirement/resignation |
|---|---|---|---|
| 4. | Ms Rishma Kaur (DIN: 00043154) | Executive, Promoter (Non-Independent Director) | Ms Rishma Kaur, Executive Director, was re- appointed as an Executive Director in Whole-time employment of the Company for a period of 5(five) consecutive years from 3rd August, 2019 to 2nd August, 2024. She would resign as a Whole-time Director of the Company with effect from 3rd August, 2024, vide a letter dated 2nd May, 2024, which was presented at the Board meeting dated 15th May, 2024 and was duly accepted by the Board. However, she has expressed her desire to continue as a Member of the Board as a Non-Executive Director of the Company. Accordingly, she would be re-designated as a Non-Executive, Non-Independent Director from 3rd August, 2024 subject to the approval of the shareholders in accordance with Regulation 17(1D) of the Listing Regulations and Section 152 of the Act at the forthcoming Annual General Meeting. |
| 5. | Dr Anoop Kumar Mittal (DIN: 05177010) | Non-Executive (Independent Director) | Dr Anoop Kumar Mittal, Non-Executive – Independent Director of the Company, was appointed as an Independent Director of the Company for 5 (five) consecutive years with effect from 19th March, 2020 to 18th March, 2025, at the Annual General Meeting held on 25th September, 2020 pursuant to Sections 149(10), 150 and 152 of the Act read with Schedule IV of the Act and Regulation 16 and Regulation 25(2A) of the Listing Regulations.<br><br>Pursuant to the recommendation of Compensation and Nomination and Remuneration Committee, and the provisions of Section 149 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the relevant provisions of the Listing Regulations, the Board of Directors of the Company have proposed the re-appointment of Dr Mittal for a second term of five consecutive years from 19th March, 2025 to 18th March, 2030, subject to the approval of the Members of the Company by way of a Special Resolution at the forthcoming Annual General Meeting.<br><br>The Company has received a Notice under Section 160 of the Act from a member of the Company signifying the candidature of Dr Mittal for his appointment as a director of the Company at the ensuing AGM. Your Board recommends the appointment of Dr Mittal as a Non-Executive, Independent Director of the Company for a term of 5 (five) consecutive years commencing from 19th March, 2025 to 18th March, 2030. |
| 6. | Mr Subir Bose (DIN: 00048451) | Non-Executive (Independent Director) | On the recommendation of the Compensation and Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on 15th May, 2024 approved the appointment of Mr Subir Bose (DIN: 00048451) as an Additional Director of the Company, pursuant to the provisions contained in Section 149 and 161 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the relevant provisions of the Listing Regulations and other applicable provisions, with effect from 15th May, 2024 to hold office as a Non-Executive, Independent Director of the Company for a term of 5 (five) consecutive years, subject to approval of the Members of the Company at the ensuing AGM.<br><br>Mr Bose completed B.Tech in Chemical Engineering from IIT Kanpur and did his post graduation in Business Administration from IIM, Ahmedabad. Mr Bose joined the Company in 1984 as a Regional Sales Manager. He retired from the Company as its Managing Director in June, 2012.<br><br>Since Mr Bose will attain the age of 75 (seventy-five) years on 10th December, 2024, therefore a special resolution for continuation of his directorship even after attaining the age of 75 (seventy-five) years under Regulations 17(1A) and 25(2A) of the Listing Regulations has been proposed in the Notice of the ensuing Annual General Meeting.<br><br>The Company has received a Notice under Section 160 of the Companies Act, from a member of the Company signifying the candidature of Mr Bose for his appointment as a director of the company at the ensuing AGM. Your Board recommends the appointment of Mr Bose as a Non-Executive, Independent Director of the Company for a term of 5 (five) consecutive years commencing from 15th May, 2024 to 14th May, 2029. |

### Key Managerial Personnel (KMP)

Mr Abhijit Roy (DIN: 03439064) is the Managing Director & CEO and a KMP of the Company. Mr Kaushik Ghosh is the Chief Financial Officer of the Company. Messers Abhijit Roy, Kaushik Ghosh and Arunito Ganguly (Vice President & Company Secretary) are the KMPs of the Company.

### Statement of Declaration by Independent Directors

The following are the Independent Directors of your company: -

1) Mrs Sonu Halan Bhasin
2) Mr Naresh Gujral

## Report of the Directors and Management Discussion and Analysis (Contd.)

3) Mr Pulak Chandan Prasad*
4) Mr Anoop Hoon
5) Dr Anoop Kumar Mittal
6) Mr Gopal Krishna Pillai
7) Mr Subir Bose**

*Mr Pulak Chandan Prasad ceased to be Non-Executive, Independent Director on the Board of Directors of the Company upon completion of his term on 1st April, 2024.

** Mr Subir Bose was appointed as a Non-Executive, Independent, Additional director, w.e.f. 15th May, 2024.

The Company has received declarations from Independent Directors that they meet the criteria of independence as prescribed u/s 149(6) of the Act and as required under the Listing Regulations. In the opinion of the Board, they fulfil the condition for appointment/ re-appointment as Independent Directors on the Board.

The Board of Directors confirm that the Independent Directors have affirmed compliance with the Code for Independent Directors as prescribed in Schedule IV to the Act and also with the Company's Code of Conduct applicable to all the Board Members and Senior Management Personnel of the Company for the financial year ended on 31st March, 2024.

### Statement regarding Opinion of the Board with regard to Integrity, Expertise and Experience (including the proficiency) of the Independent Directors appointed during the year

In the opinion of the Board, the Independent Directors possess the attributes of integrity, expertise and experience as required to be disclosed under Rule 8(5)(iiia) of the Companies (Accounts) Rules, 2014 (as amended).

All the Independent Directors of the Company have registered themselves with the Indian Institute of Corporate Affairs (IICA) as was notified and required under Section 150(1) of the Act.

### Committees of the Board

#### A. Audit Committee

The Board of Directors of your Company have duly constituted an Audit Committee in compliance with the provisions of Section 177 of the Act, the Rules framed thereunder read with Regulation 18 of the Listing Regulations.

The Company has reconstituted the Audit Committee due to the cessation of Mr Pulak Chandan Prasad as a member of the Board of Directors with effect from 1st April, 2024. The details of the re-constitution of the Audit Committee are disclosed in the Corporate Governance Report which forms part of the Board's Report (**Annexure VIII**). The terms of reference of the Audit Committee have been duly approved by the Board of Directors. The Board has accepted and implemented all recommendations of the Audit Committee.

#### Vigil Mechanism/Whistle Blower Policy

In terms of the provisions of Section 177 of the Act and the Rules framed therein read with Regulation 22 of the Listing Regulations, your Company has a Vigil Mechanism/Whistle Blower Policy in place for directors and employees of the Company through which genuine concern regarding various issues relating to inappropriate functioning of the organization can be raised. The Vigil Mechanism/ Whistle Blower Policy has been uploaded on the website of the Company and can be viewed at **https://www.bergerpaints.com/about-us/policies/whistleblower-policy**.

#### B. Corporate Social Responsibility Committee

The composition of the CSR Committee and a brief outline of the CSR Policy is annexed to this report (**Annexure III**).

Your Company has spent an amount of ₹20.79 Crore during the financial year 2023-2024 as against its 2% obligation amounting to ₹20.25 Crore, thereby exceeding its entire CSR obligation. The required details as specified in Companies CSR Rules, 2014 are given in **Annexure III.**

The CSR Policy as recommended by the CSR Committee and as approved by the Board is available on the website of the Company and can be accessed at **https://www.bergerpaints.com/about-us/policies/corporate-social-responsibility-policy**.

The Company's CSR activities majorly comprises iTrain programme aimed at skilling/upskilling painters. The programme is carried out from fixed iTrain centres spread across the country and mobile iTrain centres which visit far flung areas for imparting this skill development exercise. The Company had earlier entered into a Memorandum of Understanding with Smile Foundation, a reputed NGO for carrying out the CSR activities of the Company and the NGO is carrying out the CSR activities in a proper manner.

#### C. Compensation and Nomination and Remuneration Committee

The Company has reconstituted the Compensation and Nomination and Remuneration Committee due to the cessation of Mr Pulak Chandan Prasad as a member of the Board of Directors with effect from 1st April, 2024. The details of the re-constitution of the Compensation and Nomination and Remuneration Committee are disclosed in the Corporate Governance Report which forms part of the Board's Report (**Annexure VIII**).

#### D. Shareholders' Committees

The constitution of the Company's Shareholders' Committees is given in the Report on Corporate Governance **Annexure VIII.**

#### E. Business Process and Risk Management Committee

The constitution of the Company's Business Process and Risk Management Committee is given in the Report on Corporate Governance – **Annexure VIII**.

#### F. Environmental, Social and Governance (ESG) Committee

The composition of the committee has not been mandated under any law, though going by the expectations of the investors the Committee was formed on 20th October 2022. The committee has been reconstituted due to the resignation of Mr Shrirang M Pangarkar, Group Head- Materials, and subsequent appointment of Mr A Chander as Head-Materials on 1st September, 2023. The details of the re-constitution of the Environmental, Social and Governance Committee are disclosed in the Corporate Governance Report which forms part of the Board's Report (**Annexure VIII**).

### Structure of the Board of Directors

| Name of Directors | Non-Executive | Executive | Independent | Woman |
|---|---|---|---|---|
| Mr Kuldip Singh Dhingra | Y | N | N | N |
| Mr Gurbachan Singh Dhingra | Y | N | N | N |
| Mr Abhijit Roy | N | Y | N | N |
| Ms Rishma Kaur | N | Y | N | Y |
| Mr Kanwardip Singh Dhingra | N | Y | N | N |
| Mr Naresh Gujral | Y | N | Y | N |
| Mr Pulak Chandan Prasad* | Y | N | Y | N |
| Mr Anoop Hoon | Y | N | Y | N |
| Mrs Sonu Halan Bhasin | Y | N | Y | Y |
| Dr Anoop Kumar Mittal | Y | N | Y | N |
| Mr Gopal Krishna Pillai | Y | N | Y | N |
| Mr Subir Bose** | Y | N | Y | N |

*Mr Pulak Chandan Prasad ceased to be Non-Executive, Independent Director on the Board of Directors of the Company upon completion of his term on 1st April, 2024.

** Mr Subir Bose was appointed as a Non-Executive, Independent, Additional director, w.e.f. 15th May, 2024.

## Report of the Directors and Management Discussion and Analysis Contd.)

### Familiarisation Programme of Independent Directors

The Company believes that the best training is imparted when dealing with actual roles and responsibilities on the job. To this extent, the Company arranges detailed presentation by Business and Functional Heads on various aspects including the business environment, economy, performance of the Company, industry scenario, sales and marketing, production, raw materials, research and development, financial controls, the Company's strategy, etc. Visits to factories, business units are also undertaken from time to time. Details of Familiarisation Programmes imparted during the year under review has been uploaded on the Company's website and is available at the following weblink: **https://www.bergerpaints.com/investors/download**.

### Information as to Remuneration of Directors and Employees

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

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

| Name of Directors/KMPs | Remuneration Received (₹) | Ratio as to that of the Median Employee | Percentage increase in Remuneration |
|---|---|---|---|
| Mr Kuldip Singh Dhingra | 18,00,000 | 1.99:1 | 0.00 |
| Mr Gurbachan Singh Dhingra | 10,00,000 | 1.11:1 | 0.00 |
| Mr Abhijit Roy | 8,18,09,849 # | 90.9:1 | 13.98 |
| Mr Kanwardip Singh Dhingra | 71,86,853 | 7.98:1 | 10.30 |
| Ms Rishma Kaur | 72,26,075 | 8.03:1 | 11.46 |
| Mr Gopal Krishna Pillai | 7,20,000 | 0.8:1 | – |
| Mr Pulak Chandan Prasad* | – | – | – |
| Mr Naresh Gujral | 7,20,000 | 0.8:1 | 0.00 |
| Mr Anoop Hoon | 7,20,000 | 0.8:1 | 0.00 |
| Mrs Sonu Halan Bhasin | 7,20,000 | 0.8:1 | 0.00 |
| Dr Anoop Kumar Mittal | 7,20,000 | 0.8:1 | 0.00 |
| Mr Kaushik Ghosh** | 92,24,026 # | 10.25:1 | 483.44** |
| Mr Arunito Ganguly | 63,23,399 | 7.03:1 | 9.06 |
| Mr Subir Bose *** | – | – | – |

**Note:** * Mr Pulak Chandan Prasad ceased to be Non-Executive, Independent Director on the Board of Directors of the Company upon completion of his term on 1st April, 2024.

** Mr Kaushik Ghosh was appointed as the Chief Financial Officer w.e.f. 12th January, 2023. For financial year 2022-23, his remuneration from 12th January, 2023 to 31st March, 2023 was considered. For financial year 2023-24, remuneration for full year, from 1st April, 2023 to 31st March, 2024 is considered.

*** Mr Subir Bose was appointed as a Non-Executive, Independent, Additional director, w.e.f. 15th May, 2024.

# Remuneration does not include value of ESOPs granted.

**Note:** The median employee remuneration for 2023-24 is: ₹ 9,00,004 p.a.

2) Percentage (%) increase in remuneration during the financial year 2023-24: Please see (1) above.

3) Percentage (%) increase in the median remuneration of employees during the financial year 2023-24: 15.6%

4) Number of permanent employees on the rolls of the Company as on 31st March, 2024: 4445

5) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration – The average percentile increase in salaries of employees was 14.1% as compared to an average percentile increase of 16.56% of managerial remuneration. The increase in managerial remuneration is based on growth criteria.

6) Pursuant to the requirement of Section 197(14) of the Act, the following disclosure is made in respect to remuneration received by the Whole time Directors:

| Particulars of Directors | Nature of Transaction | Amount (₹) |
|---|---|---|
| Ms Rishma Kaur, Executive Director and also a Director in U K Paints (India) Private Limited (Holding Company) | Consultancy fees received from U K Paints India Private Limited for consultancy rendered to U K Paints India Private Limited | 33 Lakh |
| Mr Kanwardip Singh Dhingra, Executive Director and also a Director in U K Paints (India) Private Limited (Holding Company) | Consultancy fees received from U K Paints India Private Limited for consultancy rendered to U K Paints India Private Limited | 33 Lakh |

### Affirmation

It is hereby affirmed by the Chairman of the Company that the remuneration paid to all the employees, Directors and Key Managerial Personnel of the Company during the Financial Year 2023-24 are as per the Remuneration Policy framed by the Compensation and Nomination and Remuneration Committee of the Company.

### Listing with Stock Exchanges

Your Company is listed with National Stock Exchange of India Limited, BSE Limited and The Calcutta Stock Exchange Limited and has paid the listing fees to each of the Exchanges. Your Company's short term debt instruments (Commercial Papers) were listed with National Stock Exchange of India Limited as was required vide - SEBI Circular SEBI/HO/DDHS/DDHS/CIR/P/2019/115 dated 22nd October, 2019 w.e.f. 24th December, 2019. The addresses of these Stock Exchanges and other information for shareholders are given in this Annual Report.

### Cost Auditors

The Board of Directors at its Meeting held on 15th May, 2023 re-appointed M/s N Radhakrishnan & Co. (Firm Registration No.000056), 11A, Dover Lane, Flat B1/34, Kolkata - 700029, for conducting audit of the cost records maintained under Section 148(1) of the Act for the Company's factories situated at Howrah, Rishra, Goa, Puducherry, Jejuri and Naltali for the financial year 2023-24. M/s Shome & Banerjee (Firm Registration No. 000001), 2nd Floor, 5A Narulla Doctor Lane, West Range, Kolkata - 700017, have been entrusted with the responsibility of conducting cost audit of the cost records maintained under Section 148(1) of the Act for the Company's factory situated at Jammu and Sandila and the factories of British Paints division located at Sikandrabad and Hindupur for the financial year 2023-24.

The cost audit report for the financial year 2022-23 was filed with the Ministry of Corporate Affairs on 11th October, 2023.

### Statutory Auditor

The Statutory Auditor, Messrs S. R. Batliboi & Co. LLP, Chartered Accountants, (ICAI Firm Registration No. 301003E/E300005) was re-appointed pursuant to the provisions of Sections 139, 142 of the Act and the Rules made thereunder from the conclusion of the 96th Annual General Meeting upto the conclusion of the 101st Annual General Meeting of the Company at the Annual General Meeting held on 25th September, 2020. Accordingly, they would continue as the Statutory Auditor for the financial year 2024-25.

## Report of the Directors and Management Discussion and Analysis Contd.)

### Cautionary Statement

There are certain statements which have been made in the Management Discussion and Analysis Report describing the estimates, expectations or predictions which may be read as "forward-looking statement" within the meaning of applicable laws and regulations. The actual results may differ materially from those expressed or implied. The important factors that would make difference to the Company's operations include demand/supply conditions, raw material prices, and changes in government policies, government laws, tax regimes, global economic developments and other factors such as pandemic situation, litigations and labour negotiations.

### 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**

**KULDIP SINGH DHINGRA**
Chairman
(DIN: 00048406)

Place: Kolkata
Dated: 15th May, 2024



# Annexure I to the Directors' Report

for the Financial year ended 31st March, 2024

## Dividend Distribution Policy

### Background and Applicability

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) require the top 1000 listed companies to disclose a Dividend Distribution Policy.

This document, adopted by the Board of Directors of Berger Paints India Limited, lays down the Dividend Distribution Policy ("the Policy") of the Company.

The Policy is subject to review as and when considered appropriate by the Board.

### Dividend Distribution Philosophy

The Company believes in long term value creation for its shareholders while maintaining the desired liquidity and leverage ratios and protecting the interest of all the stakeholders including customers, debtors, suppliers, employees and the Government. Accordingly, the focus will continue to be on sustainable returns in terms of dividend, in consonance with the dynamics of business environment.

### Dividend

Dividend represents the profit of the Company, which is distributed to shareholders in proportion to the amount paid-up on shares they hold. Dividend includes Interim Dividend.

### Circumstances under which Shareholders can Expect Dividend

The Board will assess the Company's financial requirements, including its growth opportunities and other pertinent factors for the purpose of considering dividend. The dividend for any financial year shall ordinarily be paid out of the Company's profits for that year in terms of the provisions of the Companies Act, 2013 ("the Act").

If circumstances require, the Board may also declare dividend out of accumulated profits of any previous financial year(s) in accordance with provisions of the Act and Regulations, as applicable.

### Interim and Final Dividend

The Board may declare one or more Interim Dividends and recommend Final Dividend for the approval of the shareholders at the Annual General Meeting.

### Financial Parameters and Other Internal and External Factors to be considered for declaration of Dividend

- Distributable surplus available as per the Act and Regulations
- The Company's liquidity position and future cash flow needs
- Track record of Dividends distributed by the Company
- Pay-out ratios of comparable companies
- Prevailing taxation policy and legal requirements with respect to Dividend distribution
- Prevailing taxation policy and legal requirements with respect to Dividend distribution
- Capital expenditure requirements

## Annexure I to the Directors' Report (contd.)

- Stipulations/Covenants of loan agreements, if any
- Macro-economic and business conditions in general
- Any other relevant factor that the Board may deem fit to consider

### Utilisation of Retained Earnings

Subject to applicable Regulations, the Company's retained earnings may be applied for:

- Organic growth needs including working capital, capital expenditure, repayment of debt, etc.
- Inorganic growth needs such as acquisition of businesses, establishment of joint ventures, etc.
- Buyback of shares subject to applicable limits
- Payment of Dividend in future years
- Issue of Bonus shares
- Any other permissible purpose

### Circumstances under which the Shareholders may not expect Dividend

In line with the Dividend Distribution Philosophy, there may be certain circumstances under which the shareholders may not expect dividend, including:

- The Company has sufficient avenues to generate significantly higher returns on surplus than what a common shareholder can generate himself
- In case of utilization of retained earnings as mentioned in this Policy
- The Company has incurred losses or there is inadequacy of profits.

### Modification of the Policy

The Board may modify this policy from time to time at its discretion or in line with any amendment made in the Act or applicable Regulations.

### Disclaimer

This document does not solicit investments in the Company's securities. Nor is it an assurance of guaranteed returns (in any form), for investments in the Company's equity shares.



## Annexure II to the Directors' Report

for the Financial year ended 31st March, 2024

### Disclosures with respect to Employees Stock Option Plan/Scheme Pursuant to Regulation 14 of the Securities and Exchange Board of India (Share based Employee Benefits and Sweat Equity) Regulations, 2021 as on 31st March, 2024:

There was no material change in the ESOP Scheme (ESOS). The ESOS is in compliance with the Regulations.

All the relevant details of the Company's Employee Stock Option Plan are provided below and are also available on the website of the Company at **https://www.bergerpaints.com/investors/download**.

**A) Relevant disclosures in terms of Accounting Standards prescribed by the Central Government and Section 133 of the Companies Act, 2013 including the 'Guidance note on accounting for employee share-based payments' issued in that regard from time to time:**

Refer Note No. 46 forming part of the Standalone Financial Statements and Note No. 48 of the Consolidated Financial Statements for the financial year 2023-24. Please note that the said disclosure is provided in accordance with Indian Accounting Standards (Ind AS) 102- Share Based Payment.

**B) Diluted EPS on issue of shares pursuant to all the schemes covered under the Regulations shall be disclosed in accordance with 'Ind AS-33' – Earnings per Share issued by the Central Government or any other Relevant Accounting Standards as issued from time to time:**

Refer Note No. 43 forming part of the Standalone Financial Statements and Note No. 44 of the Consolidated Financial Statements for the financial year 2023-24. Please note that the said disclosure is provided in accordance with Indian Accounting Standards (Ind AS) 33- Earnings per Share.

**C) Details related to ESOS:**

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

| Particulars | Employee Stock Option Plan, 2016 |
|---|---|
| a) Date of shareholders' approval | 3rd August, 2016 |
| b) Total number of options approved under ESOP | 3,46,78,470 |
| c) Vesting Requirements | Options shall vest over a period of 3 years from the date of grant of options as under:<br>a) 33% on first anniversary of Grant Date b) 33% on second anniversary of Grant Date and c) 34% on third anniversary of Grant Date rounded up to whole numbers |
| d) Exercise price/Pricing formula | ₹1/- |
| e) Maximum term of options granted | 3 years |
| f) Source of shares (primary, secondary or combination) | Primary |
| g) Variation in terms of options | None during the year |

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

iii) Where the Company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the Company shall also be disclosed.

## Annexure II to the Directors' Report (contd.)

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

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

| Particulars | Employee Stock Option Plan, 2016 | | | |
|---|---|---|---|---|
| | Grant IV | Grant V | Grant VI | Grant VII |
| No. of options outstanding at the beginning of the period | 23,021 | 44,357^ | 93,985 | - |
| No. of options granted during the year | - | - | - | 1,24,249 |
| No. of options forfeited/lapsed during the year | 1,083 | 1,780 | 3,630 | 2,103 |
| No. of options vested during the year | 26,325# | 25,801# | 36,858# | - |
| No. of options exercised during the year | 26,325# | 25,884#@ | 36,858# | - |
| No. of shares arising as a result of exercise of options | 26,325# | 25,884# | 36,858# | - |
| Money realised by exercise of options (INR), if scheme is implemented directly by the Company | 26,325# | 25,884# | 36,858# | - |
| Loan repaid by the Trust during the year from exercise | N.A | N.A | N.A | N.A |
| No. of options outstanding at the end of the year | - | 25,308^^ | 71,568^^ | 1,22,146 |
| No. of options exercisable at the end of the year | - | - | - | - |
| No. of options pending allotment at the end of the year | - | - | - | - |

| | | | | | |
|---|---|---|---|---|---|
| v) | a) Weighted average exercise prices | ₹ 1 | ₹1 | ₹1 | ₹1 |
| | b) Weighted average fair values | ₹569.82 | ₹567.92 | ₹565.52 | ₹562.82 |

^ Excludes 83 options of Tranche I of Grant V, pending to be exercised and allotted

# Includes bonus options 4,388 for grant IV, 4,314 for grant V and 6,143 for grant VI.

@ Includes 83 options of Tranche I of Grant V, pending to be exercised in the previous financial year, were exercised and allotted in the current financial year.

^^ Includes bonus options 4,220 for grant V and 11,928 for grant VI

vi) Employee wise details of options granted to:-

(a) Senior managerial personnel- During the financial year 2023-24 following Options were granted to Senior Management Personnel.

| Name | Designation | No. of options granted in F.Y. 2023-24 | Exercise price per option (₹) |
|---|---|---|---|
| Mr Abhijit Roy | Managing Director & CEO | 1640 | 1 |
| Mr Kaushik Ghosh | Chief Financial Officer | 841 | 1 |

| | | |
|---|---|---|
| b) | Any other employee who receives a grant in any one year of option amounting to 5% or more of options granted during that year | None |
| c) | Employees who were granted options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant | None |

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

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

| Serial no. | Particulars | 2023-2024 |
|---|---|---|
| i. | Weighted average risk-free interest rate | 7.05% |
| ii. | Weighted average expected life of options | 2.62 years |
| iii. | Weighted average expected volatility | 17.37% |
| iv. | Weighted average expected dividends over the life of the option | ₹ 8.38 per option |
| v. | Weighted average share price | ₹ 573.05 |
| vi. | Weighted average exercise price | ₹ 1 per share |

b) Method used and assumptions made to incorporate effects of expected early exercise:

Black-Scholes Options Pricing Model.

c) How expected volatility was determined, including explanation of the extent to which expected volatility was based on historical volatility;

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

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

# Annexure III to the Directors' Report

for the Financial year ended 31st March, 2024

## Report on Corporate Social Responsibility (CSR) Activities

**1. Brief outline of CSR Policy:**

The CSR vision of Berger Paints India Limited ("the Company") recognises that an enterprise and the society in which it operates are mutually dependent on each other and the growth of the industry is proportionate to the equitable development of the country, its environment and its people, irrespective of religion, race, caste, creed and gender. The Company also believes that all round development can be brought about by paying attention to regions, groups and people which are backward and have special needs and by helping citizens to acquire useful skills.

To this extent, the Company devotes resources, in the manner recommended by its CSR Committee and approved by its Board of Directors in accordance with the provisions of law for fulfilling the aforesaid objective in the manner laid out in Schedule VII to the Companies Act, 2013, with particular stress on areas around which the Company operates.

iTrain plays a crucial role in training of new and unskilled painters and upgrading skills of existing painters, and elevating painting from a casual trade to a profession which is coveted and aspirational. The Company also launched Mobile iTrains which actively take part in imparting training skills at remote locations.

The focus is on teaching various application techniques, correct usage and introduction to a new generation of paints for walls, wood, metal and waterproofing methods. There is a special emphasis on use of mechanized equipment and special tools that make the process more efficient, quicker and cleaner. iTrain aims at creating a new generation of certified painters and opening doors to sustainable employment avenues.

The Company's CSR Policy can be viewed at the web link:
**https://www.bergerpaints.com/about-us/policies/corporate-social-responsibility-policy**.

**2. The composition of the CSR Committee is provided below:**

| Sl. No. | Name of Director | Designation/Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---|---|---|---|---|
| 1 | Mr Kuldip Singh Dhingra | Chairman, Non-executive Director | 1 | 1 |
| 2 | Mr Abhijit Roy | Managing Director & CEO | 1 | 1 |
| 3 | Ms Rishma Kaur | Executive Director | 1 | 1 |
| 4 | Mr Kanwardip Singh Dhingra | Executive Director | 1 | 1 |
| 5 | Dr Anoop Kumar Mittal | Non-executive, Independent Director | 1 | 1 |

**Note:** Apart from 5 Directors, Messrs Kaushik Ghosh, Anil Bhalla and Arunito Ganguly are also members of the CSR Committee and except Mr Anil Bhalla, all have attended 1 CSR Committee meeting which was held during financial year (2023-24).

3. The composition of the CSR Committee can be accessed at weblink: **https://www.bergerpaints.com/about-us/team**. The CSR Policy and CSR projects can be accessed at: **https://www.bergerpaints.com/about-us/policies/corporate-social-responsibility-policy**.

4. Provide the executive summary along with weblink(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

The Executive Summary of Impact Assessment of the Company's iTain project carried out by Social Lens Consulting Private Limited in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is provided below. Full Impact Assessment Report can be accessed at **https://www.bergerpaints.com/investors/download**.

**Executive Summary**

Skill development plays a crucial role in the economic and social advancement of every nation. The proficiency of the workforce not only impacts productivity and income levels but also influences their adaptability in a changing environment. India faces a pressing need for skilled workers. However, a mismatch in skills may impede full employment and hinder economic recovery.

**The paint and coating industry is witnessing remarkable growth, leading to a surge in demand for skilled painters. However, the industry is concurrently grappling with a shortage of skilled painters, particularly in the domain of paint application. The scarcity of formal training opportunities and insufficient provisions for painter training are key factors contributing to the shortage of skilled workers in the paint industry.**

Against the background of the growing demand for skilled painters in the paint and coating industry, Berger Paints India Limited developed the iTrain program to enhance the skills and professionalism of painters. The program provides technical training, soft skills, and entrepreneurial skills to equip painters with the knowledge needed to excel in the industry. Conducted through fixed and mobile centres in collaboration with Smile Foundation, the program ensures accessibility for painters in remote areas. Berger Paints India Limited partnered with Smile Foundation to manage the operational and logistical aspects of the iTrain mobile vans, furthering the program's reach and impact.

This report presents the findings of the impact assessment study which was conducted by interviewing a sample of painters who have received training from both the fixed centres as well as the mobile centres. The locations covered for the assessment were selected from the West, East, North and South of India to ensure geographical coverage. In addition to speaking with the direct beneficiaries, the assessment included other stakeholders including the trainers, the implementing agency's team and the program team.

The report outlines the findings of an impact assessment study conducted through interviews with painters who received training from both fixed and mobile centres of the iTrain program. The impact assessment findings demonstrate the significant positive effects of the iTrain program on the participating painters. **A notable outcome is the increased confidence reported by 77.17% of the painters, leading to career advancements for 70.65% of them and an increase in clients for 77.39% due to enhanced soft skills.** The program has had a key economic impact, with **100% of participants noting improved incomes, enabling better access to utilities, high-quality food, children's education, and asset acquisition.** The program successfully enhances professionalism within the industry and makes it more appealing as a career option for newcomers.

Moreover, the iTrain program has played a crucial role in empowering painters to become entrepreneurs and grow their painting businesses. **Participants who consistently attended iTrain sessions have expanded their service offerings, customer reach, and team size, with an average team growth of 12 members per contractor. Another notable achievement of the program is the enhanced accessibility to training provided by the mobile iTrain vans.** Insights gathered from discussions with the Smile Foundation team, trainers, and trainees underscore the critical role of mobile training in delivering comprehensive, market-aligned training to individuals in remote areas, who would otherwise not have access to such opportunities.

Additionally, **there have been initiatives to promote the involvement of women in the program, resulting in increased participation in various locations such as Bhuj, Shillong, Jawai, Guwahati and Ghadchiroli.** In these locations, efforts to encourage women's participation in the iTrain program have focused on providing tailored support and creating a conducive environment for their involvement. Specialised outreach programs and community engagement initiatives have been implemented to raise awareness and address specific challenges faced by women in accessing training opportunities.

**In conclusion, the iTrain program has emerged as a transformative initiative in the paint and coating industry, addressing the critical need for skilled painters while enhancing their professional development and economic prospects.** The program's impact is evident in the increased confidence, career advancements, and improved

## Annexure III to the Directors' Report (contd.)

incomes reported by participants. The trainees have recommended incorporating hard-copy training modules and restructuring training hours and content. These suggestions can further enhance the program's impact and effectiveness.

5. (a) Average net profit of the company as per sub- section 5 of section 135: ₹1012.72 Crore
   (b) Two percent of average net profit of the company as per sub- section 5 of section 135: ₹20.25 Crore
   (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
   (d) Amount required to be set off for the financial year, if any- Nill
   (e) Total CSR obligation for the financial year [(b) + (c) – (d)]: ₹ 20.25 Crore

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) – ₹19.75 Crore
   (b) Amount spent in Administrative Overheads – ₹1.01 Crore
   (c) Amount spent on Impact Assessment, if applicable – ₹0.03 Crore [inclusive of taxes]
   (d) Total amount spent for the Financial Year [(a) + (b) + (c)] - ₹20.79 Crore
   (e) CSR amount spent or unspent for the financial year:

| Total Amount Spent for the Financial Year (in ₹) | Amount Unspent (in ₹) | | | | |
|---|---|---|---|---|---|
| | Total Amount transferred to Unspent CSR Account as per section 135(6) | | Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135 | | |
| | Amount | Date of transfer | Amount | Name of the Fund | Date of Transfer |
| 20.79 Crore | Not Applicable ---------- | | | | |

(f) Excess amount for set-off, if any:

| Sl. No. | Particular | Amount (in ₹) |
|---|---|---|
| (1) | (2) | (3) |
| (i) | Two percent of average net profit of the company as per sub-section (5) of section 135 | 20.25 Crore |
| (ii) | Total amount spent for the Financial Year | 20.79 Crore |
| (iii) | Excess amount spent for the Financial Year [(ii)-(i)] | 0.54 Crore |
| (iv) | Surplus arising out the CSR projects or programmes or activities of the previous Financial Years, if any | Nil |
| (v) | Amount available for set off in succeeding Financial Years [(iii)-(iv)] | 0.54* Crore |

* The Company will decide whether to carry forward excess amount spent during the financial year 2023-24.

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

| Sl. No. | Preceding Financial Year(s) | Amount transferred to Unspent CSR Account under sub-section (6) of section 135 of the Act (in ₹) | Balance Amount in Unspent CSR Account under sub-section (6) of section 135 of the Act (in ₹) | Amount Spent in the Financial Year (in ₹) | Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135 of the Act, if any | | Amount remaining to be spent in succeeding Financial Years (in ₹) | Deficiency, if any |
|---|---|---|---|---|---|---|---|---|
| | | | | | Amount (in ₹) | Date of transfer | | |
| Not Applicable ---------- | | | | | | | | |

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

√ Yes  ☐ No

If Yes, enter the number of Capital assets created/acquired: 4

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

| Sl. No. | Short particulars of the property or asset(s)[including complete address and location of the property] | Pincode of the property or asset(s) | Date of creation | Amount of CSR Amount Spent (in ₹) | Details of Company/ Authority/ beneficiary of the registered owner | | |
|---|---|---|---|---|---|---|---|
| | | | | | CSR Registration Number, if applicable | Name | Registered address |
| 1 | Vehicle:TATA INTRA V10 PICK UP LX CLB Sunidhi Warehouse, Near New Sunidhi Petrol Pump, Nemawar Road, Palda, Indore | 452020 | 30/03/2024 | 14,61,904 | CSR00001634 | Smile Foundation | V-11, Level-1, Green Park Extension, New Delhi -110016 |
| 2 | Vehicle:TATA INTRA V10 PICK UP LX CLB 497/498/499, Opp. GSFC Main Gate, Nr Hotel Silver Plate, Dashrath, Vadodara | 391740 | 30/03/2024 | 14,61,904 | CSR00001634 | Smile Foundation | V-11, Level-1, Green Park Extension, New Delhi -110016 |
| 3 | Vehicle:TATA INTRA V10 PICK UP LX CLB 458, Nedumkulam Main Road, Samanatham Post, Puliyur Panchayath, Madurai | 625009 | 30/03/2024 | 14,61,904 | CSR00001634 | Smile Foundation | V-11, Level-1, Green Park Extension, New Delhi -110016 |
| 4 | Vehicle:TATA INTRA V10 PICK UP LX CLB House no 22 , Sector B, Aligang, Lucknow | 226024 | 30/03/2024 | 14,61,904 | CSR00001634 | Smile Foundation | V-11, Level-1, Green Park Extension, New Delhi -110016 |

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of Section 135 of the Act: Not Applicable.

**KULDIP SINGH DHINGRA**
(DIN: 00048406)
Chairman, CSR Committee

**ABHIJIT ROY**
(DIN: 03439064)
Managing Director & CEO

Place : Kolkata
Dated : 15th May, 2024

# Annexure IV to the Directors' Report

for the Financial year ended 31st March, 2024

Annexure V

## Secretarial Audit Report

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Pursuant to Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

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

1. We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s Berger Paints India Limited (CIN: L51434WB1923PLC004793)** (hereinafter to be referred as the **"Company"**) for the financial year ended 31st March, 2024 (hereinafter to be referred as **"audit period"**). Secretarial Audit was conducted on test check basis, in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

2. Based on our verification of the records, minute books, documents, forms and returns filed, and other records maintained by the Company and also the information provided by the Company, its officers, agents, and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board-Processes and Compliance-Mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

3. (i) We have examined the records, minute books, documents, forms, returns filed, and other records maintained by the Company for and during the financial year ended on 31st March, 2024 according to the provisions of:

   (i) The Companies Act, 2013 (the Act) and the rules made thereunder;

   (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

   (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

   (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

   (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.: -

      a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended;

      b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended;

      c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended – to the extent applicable to the Company during the year under review;

      d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended;

      e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

      f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended – Not Applicable during the audit period.

      g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client.

      h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, as amended – Not Applicable during the audit period.

      i) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018, as amended – Not Applicable during the audit period.

      And to the best of our knowledge, belief and understanding, we are of the view that the Company has complied with the provisions of the above mentioned Acts, Regulations and Rules made thereunder, during the aforesaid audit period.

   (ii) We have also examined the secretarial compliance on test check basis of the records maintained by the Company for the audit period, with the provisions of the following laws specifically applicable to the Company and as shown to us during our audit;

      a) The Factories Act, 1948

      b) The Environment (Protection) Act, 1986

      c) The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008

      d) The Patent Act, 1970

      e) The Trade Marks Act, 1999

      f) The Copyright Act, 1957

      And to the best of our knowledge, belief and understanding, we are of the view that the Company has complied with the specific laws mentioned above, during the aforesaid audit period.

   (iii) We have also examined the Structured Digital Database pursuant to Regulation 3(5) and 3(6) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 maintained by the Company for the financial year ended on 31st March, 2024 and to the best of our knowledge, belief and understanding, we are of the view that the Company has complied with the provisions pursuant to Regulation 3(5) and 3(6) of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, during the aforesaid audit period.

4. (i) We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India under Section 118 of the Companies Act, 2013 and to the best of our knowledge, belief and understanding, we are of the view that the Company has complied with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India under Section 118 of the Companies Act, 2013 during the aforesaid audit period.

   (ii) We have checked the compliance with the provisions of the Standard Listing Agreement entered by the Company with BSE Limited, National Stock Exchange of India Limited, and Calcutta Stock Exchange Limited and also with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable during the audit period.

## Annexure IV to the Directors' Report (contd.)

5. That on the basis of the audit as referred above, to the best of our knowledge, understanding, and belief, we are of the view that during the audit period the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above in Paragraphs 3(i), Paragraph 3(ii), Paragraph 3(iii), Paragraph 4(i) and Paragraph 4(ii) of this report.

6. We further report that,

   a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

   b) Adequate notices are given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance.

   c) Majority decision is carried through and recorded as part of the minutes.

7. We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines, generally applicable to Company.

8. This report is to be read with our letter of even date which is annexed as **Annexure A**, forming an integral part of this report.

Place: Kolkata
Dated: 15th May, 2024

For **ANJAN KUMAR ROY & CO.**
**Company Secretaries**

**ANJAN KUMAR ROY**
Proprietor
FCS No. 5684
CP. No. 4557
UDIN: : F005684F000348840
Peer Review Certificate No. 869/2020



## "Annexure A" to the Secretarial Audit Report of M/s Berger Paints India Limited

for the Financial year ended 31st March 2024

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

Our Secretarial Audit Report for the financial year ended 31st March, 2024 of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we have followed provides a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulation and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test check basis.

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Kolkata
Dated: 15th May, 2024

For **ANJAN KUMAR ROY & CO.**
**Company Secretaries**

**ANJAN KUMAR ROY**
Proprietor
FCS No. 5684
CP. No. 4557
UDIN: : F005684F000348840
Peer Review Certificate No. 869/2020

# Annexure V to the Directors' Report

for the Financial year ended 31st March, 2024

## Secretarial Compliance Report of M/s Berger Paints India Limited for the Financial year ended 31st March, 2024

[Pursuant to Regulation 24A(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended read with Circular No. CIR/CFD/CMD1/27/2019, dated 08/02/2019, issued by Securities and Exchange Board of India]

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

1. We, Anjan Kumar Roy & Co., Company Secretaries, have examined:

   (a) All the documents and records made available to us and explanation provided by **M/s Berger Paints India Limited** (hereinafter to be referred **"the listed entity"**),

   (b) The filings/submissions made by the listed entity to the stock exchanges,

   (c) Website of the listed entity,

   (d) Any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the financial year ended on 31st March, 2024 in (**"Review Period"**) in respect of compliance with the provisions of:

   (a) The Securities and Exchange Board of India Act, 1992 (**"SEBI Act"**) and the Regulations, circulars, guidelines issued thereunder; and

   (b) The Securities Contracts (Regulation) Act, 1956 (**"SCRA"**), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India (**"SEBI"**);

2. In terms of the NSE Circular No: NSE/CML/2023/30 dated 10th April, 2023 and the BSE Circular No: 20230410-41 dated 10th April, 2023, and amendments therein, our affirmations, is appended as below:

| Sl. No. | Particulars | Compliance status | Observations/ Remarks by PCS |
|---|---|---|---|
| 1. | **Secretarial Standards:**<br>The Compliances of the listed entity are in accordance with applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries of India (ICSI) | Yes | None |
| 2. | **Adoption and timely updation of the policies:**<br>• All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities<br>• All the policies are in conformity with SEBI Regulations and has been reviewed & timely updated as per the regulations /circulars/guidelines issued by SEBI | Yes | None |
| 3. | **Maintenance and disclosures on Website:**<br>• The Listed entity is maintaining a functional website<br>• Timely dissemination of the documents/information under a separate section on the website<br>• Weblinks provided in annual corporate governance report under Regulation 27(2) are accurate and specific which redirects to the relevant documents/ section of the website | Yes | None |
| 4. | **Disqualification of Director:**<br>None of the Director of the Company are disqualified under Section 164 of Companies Act, 2013 | Yes | None |
| 5. | To examine details related to Subsidiaries of listed entities:<br>a) Identification of material subsidiary companies<br>b) Requirements with respect to disclosure of material as well as other subsidiaries | N.A. | The Company does not have any material subsidiary. |
| 6. | **Preservation of Documents:**<br>The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015. | Yes | None |
| 7. | **Performance Evaluation:**<br>The listed entity has conducted performance evaluation of the Board , Independent Directors and the Committees at the start of every financial year as prescribed in SEBI Regulations | Yes | None |
| 8. | **Related Party Transactions:**<br>a) The Listed Entity has obtained prior approval of Audit Committee for all Related party transactions<br>b) In case no prior approval obtained , the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved / ratified /rejected by the Audit Committee | Yes | None |
| 9. | **Disclosure of events or information:**<br>The listed entity has provided all the required disclosures under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder | Yes | None |
| 10. | **Prohibition of Insider Trading:**<br>The listed entity is in compliance with Regulation 3(5) & 3(6) of SEBI (Prohibition of Insider Trading ) Regulations, 2015 | Yes | None |
| 11. | **Actions taken by SEBI or Stock Exchanges, if any:**<br>No Actions taken against the listed entity / its promoters/ directors /subsidiaries either by SEBI or Stock Exchanges ( including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars / guidelines issued thereunder | N.A | None |
| 12. | **Additional Non- compliances, if any:**<br>No any additional non-compliance observed for all SEBI Regulation/circular/guideline note etc. | N.A | None |

3. The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

   (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended;

   (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended;- Not Applicable during the review period.

   (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended;

   (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018, as amended;-Not Applicable during the review period.

   (e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

## Annexure V to the Directors' Report (contd.)

(f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended – Not Applicable during the review period.

(g) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended, and based on the above examination, we hereby report that, during the Period under review:

a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

| Sr. No. | Compliance Requirement (Regulations/ circulars / guidelines including specific clause) | Regulation / Circular No. | Deviations | Action taken by | Type of Action | Details of Violation | Fine Amount | Observations/ Remarks of the Practicing Company Secretary | Management Response | Remarks |
|---|---|---|---|---|---|---|---|---|---|---|
| | No Non-Compliance | N.A. | No Deviation | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |

b) The listed entity has taken the following actions to comply with the observations made in previous reports

| Sr. No. | Compliance Requirement (Regulations/ circulars / guidelines including specific clause) | Regulation / Circular No. | Deviations | Action taken by | Type of Action | Details of Violation | Fine Amount | Observations/ Remarks of the Practicing Company Secretary | Management Response | Remarks |
|---|---|---|---|---|---|---|---|---|---|---|
| | No Non-Compliance | N.A. | No Deviation | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |

4. This is to also certify that the Company has ensured, through the letter of appointment of the Statutory Auditors of the Company that the conditions as mentioned in 6(A) and 6(B) of Circular No. CIR/CFD/CMD1/114/2019 dated 18th October, 2019 issued by Securities and Exchange Board of India is included in the terms of appointment of the statutory auditor.

For **ANJAN KUMAR ROY & CO.**
**Company Secretaries**

**ANJAN KUMAR ROY**
Proprietor
FCS No. 5684
CP. No. 4557
UDIN: F005684F000348873
Peer Review Certificate No. 869/2020

Place: Kolkata
Dated: 15th May, 2024





# Annexure VI to the Directors' Report

for the Financial year ended 31st March, 2024

## Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of Companies (Accounts) Rules, 2014 (as amended)

### A) Conservation of Energy

**1. The steps taken or impact on conservation of energy:**

a) Roof top Solar Power Plants have been installed in almost all the Plants of the Company. Further, the Capacity augmentation of the Roof top Solar Power Plants was carried out at Puducherry, Jejuri, Rishra and Sikandrabad Plants.

b) Energy efficient LED lights had been installed for internal and external lighting at all the Plants already. Last year it had been done in some additional areas of Jammu and Hindupur Plants.

c) Draft Automation system implemented for the Combustion Air Supply of all the Bio-briquette fired Thermic Fluid Heaters. Last year it had been implemented at Goa and Puducherry Plants.

d) VFD's already installed for high power consuming motors of process and utility equipment at all the Plants. Last year it has been done for all the brownfield expansion projects carried out at Jejuri and Sandila Plants.

e) Condensate Recovery System with Economizer introduced for Steam Boilers at Jejuri Plant.

f) Very old high power consuming Utility Pumps with IE1 motors replaced by latest energy efficient pumps along with IE2/IE3 motors, in some of the Plants.

g) Energy efficient IE2/IE3 motors are being used in all the new projects.

h) The Specific Energy Consumption for Paints and Powder Coatings has been reduced by approximately 7.48% compared to F.Y. 2022-23.

i) The Specific Fuel Cost for Resin and Emulsions ( Intermediates ) has been reduced by approximately 18% compared to F.Y. 2022-23.

j) 13395 MT Carbon footprint reduced in F.Y. 2023-24 by adopting all the energy saving measures, coupled with usage of Biomass fuel fired Thermic Fluid Heaters in the Resin Plants, in place of HSD/LDO fired Thermic Fluid Heaters.

**2. Energy conservation measures for plant and township lighting and alternative energy usage:**

a) Capacity enhancement of Rooftop Solar Power Plants at Puducherry, Jejuri, Rishra and Sikandrabad Units.

b) Replacement of high power consuming conventional lights with LED Lights.

**3. Capital investment of energy conservation equipment: ₹6 Crore (approx.) in F.Y. 2023-24.**
**Benefits derived as a result of the above efforts in the year:**

1) Incremental cost savings of around ₹7 Crore in F.Y. 23-24 compared to F.Y. 22-23.

2) Reduction in Specific Energy Consumption for Paints and Powder Coatings by approximately 7.48% during financial year 2023-24 in comparison to previous financial year.

3) Reduction in Carbon footprint by approximately 14455 MT.

4) Increase in productivity, operational efficiency and reduction of manufacturing cost.

5) Restriction on emissions.

## Annexure VI to the Directors' Report (contd.)

### B) Technology Absorption

#### I. Research and Development (R&D)

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

- Synthesis of nano materials from natural source and its application.
- Further optimisation of use of high carbon footprint raw materials in paint formulations.
- Surface cross-linking technology for extended exterior durability.
- Development of complete range of in-house stainers.
- In-house water based formulation for intumescent coating.
- Expansion of construction chemical and water proofing product range.
- Fusion bonded epoxy for rebar coating.
- Low bake products for industrial application.
- In-house PCE polymer for construction chemical.
- Low VOC enamel for decorative and industrial business.
- Solvent free high build paint for C5 environment.
- New range of resins for wood coating applications.
- High solid resin for low VOC products.

**2) Benefits derived out of the above work:**

Development of new products with special attributes for different applications.

**i) Decorative Products:**

a) Water based enamel for decorative application.
b) Exterior paint with extended service life with respect to durability and colour retention.
c) New decorative products for rural markets.
d) Cement based skim coat and top coat.
e) Penetrating sealer for water proofing.
f) Soft feel premium interior paint with functional attributes.
g) New range of melamine finish wood coating for industrial applications.
h) New polyester wood coating with mirror like finish.
i) Epoxy casting system for decorative application.

**ii) Industrial Products:**

a) Solvent free glass flake coating for aggressive marine environment.
b) Primer, intermediate and anti-fouling coating for ship painting.
c) New coating system for usage in two wheeler having resistance to ethanol, gasoline blended petrol.
d) New shades of architectural powder coating.
e) Air drying painting system for frame of commercial vehicle.
f) Water based anti-reflective coating system for tunnel.
g) Monocoat metallic finish for general industrial sector (fan, e-rickshaw).
h) Monocoat painting system for commercial vehicle cabin.
i) Selective products for bullet train products with extended service life.

**3) Future Plan of Action:**

- To invest in development of new technology to deliver products with special attributes and meeting anticipated need of the stakeholders.
- Collaborative work with academics and institutions to develop innovative materials for application in paints.

**4) Expenditure on R&D:**

| | |
|---|---|
| Capital Expenditure (₹) | 3.42 Crore |
| Recurring Expenditure (₹) | 19.93 Crore |
| Total Expenditure (₹) | 23.35 Crore |
| Total R&D Expenditure as a percentage of Total Turnover | 0.23% |

#### II. Technology Absorption, Adaptation and Innovation:

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

-Technology licence agreement with Chugoku Marine Paints, Japan for high performance coating system.

b) Benefits derived as a result of the above efforts e.g., product improvement, cost reduction, product development, import substitution, etc.

- Expansion of technology base
- Product development

c) Technology imported during the last three years:

The details of technology imported –

- Technology license agreement with VIP Coatings, Germany for polyurea based coating system for water proofing.
  - Year of Import – 2021
- Technology licence agreement with Chugoku Marine Paints, Japan for CUS coating system for bullet train railway track and marine coatings.
  - Year of Import – 2023
- Whether technology have been fully absorbed- Yes.

### C) Foreign Exchange Earnings and Outgo

Foreign exchange earnings and outgo of the company are ₹4.35 Crore and ₹1145.29 Crore respectively. Primarily, earnings were from exports and consultancy services and outgo was towards import payments.

On behalf of the
**Board of Directors**

**KULDIP SINGH DHINGRA**
Chairman
(DIN: 00048406)

Place: Kolkata
Dated: 15th May, 2024

# Annexure VII to the Directors' Report

for the Financial year ended 31st March, 2024

## Business Responsibility & Sustainability Report

### Section A: General Disclosures

### I. Details of the listed entity

1. Corporate Identity Number (CIN) of the Listed Entity: L51434WB1923PLC004793
2. Name of the Listed Entity: Berger Paints India Limited
3. Year of incorporation: 1923
4. Registered office address: Berger House, 129 Park Street, Kolkata, West Bengal, India - 700017
5. Corporate address: Berger House, 129 Park Street, Kolkata, West Bengal, India - 700017
6. E-mail: **consumerfeedback@bergerindia.com**
7. Telephone: 033 2229 9724-28
8. Website: **www.bergerpaints.com**
9. Financial year for which reporting is being done: 2023-24
10. Name of the Stock Exchange(s) where shares are listed : National Stock Exchange of India Limited (NSE) (Scrip Code: BERGEPAINT), BSE Limited (Scrip Code: 509480) and The Calcutta Stock Exchange Limited (Scrip Code: 12529)
11. Paid-up Capital: ₹ 116.58 Crore
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report:

| S. No. | Particulars | Details |
|---|---|---|
| 1 | Name | Mr Arunito Ganguly |
| 2 | Designation | Vice President & Company Secretary |
| 3 | Telephone Number | 033-2229 9724-28 |
| 4 | E-mail id | **consumerfeedback@bergerindia.com** |

13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together): Standalone Basis
14. Name of assurance provider: Futurestation Advisors LLP
15. Type of assurance obtained: Reasonable Assurance

### II. Products/Services

16. Details of business activities (accounting for 90% of the turnover):

| S. No. | Description of Main Activity | Description of Business Activity | % of Turnover of the entity |
|---|---|---|---|
| 1 | Paints, varnishes, enamels or lacquers | Manufacture of paints, varnishes, enamels or lacquers | 98.42 |

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

| S. No. | Product/Service | NIC Code | % of total Turnover contributed |
|---|---|---|---|
| 1 | Manufacture of paints, varnishes, enamels or lacquers | 202 | 98.42 |
| 2 | Manufacture of organic and inorganic chemical compounds | 201 | 1.58 |

### III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

| Location | Number of plants | Number of offices | Total |
|---|---|---|---|
| National | 15 | 187 | 202 |
| International | Nil | Nil | Nil |

19. Markets served by the entity:

a. Number of locations

| Location | Number |
|---|---|
| National (No. of States) | 28 States and 8 Union Territories |
| International (No. of Countries) | Nil |

b. What is the contribution of exports as a percentage of the total turnover of the entity? 0.024%

c. A brief on types of customers: Household, Industries, Government, Government Institutions, OEMs and others.

### IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

| S. No. | Particulars | Total (A) | Male | | Female | |
|---|---|---|---|---|---|---|
| | | | No. (B) | % (B / A) | No. (C) | % (C / A) |
| **Employees** | | | | | | |
| 1. | Permanent (D) | 4001 | 3915 | 97.9% | 86 | 2.1% |
| 2. | Other than Permanent (E) | 3143 | 3044 | 96.9% | 99 | 3.1% |
| **3.** | **Total employees (D + E)** | **7144** | **6959** | **97.41%** | **185** | **2.59%** |
| **Workers** | | | | | | |
| 4. | Permanent (F) | 444 | 443 | 99.8% | 1 | 0.2% |
| 5. | Other than Permanent (G) | 6110 | 5889 | 96.4% | 221 | 3.6% |
| **6.** | **Total workers (F + G)** | **6554** | **6332** | **96.61%** | **222** | **3.38%** |

b. Differently abled Employees and workers:

| S. No. | Particulars | Total (A) | Male | | Female | |
|---|---|---|---|---|---|---|
| | | | No. (B) | % (B / A) | No. (C) | % (C / A) |
| **Differently Abled Employees** | | | | | | |
| 1. | Permanent (D) | 0 | 0 | 0% | 0 | 0% |
| 2. | Other than Permanent (E) | 0 | 0 | 0% | 0 | 0% |
| **3.** | **Total differently abled employees (D + E)** | **0** | **0** | **0%** | **0** | **0%** |

## Annexure VII to the Directors' Report (contd.)

| S. No. | Particulars | Total (A) | Male | | Female | |
|---|---|---|---|---|---|---|
| | | | No. (B) | % (B / A) | No. (C) | % (C / A) |
| **Differently Abled Workers** | | | | | | |
| 4. | Permanent (F) | 0 | 0 | 0.0% | 0 | 0.0% |
| 5. | Other than Permanent (G) | 3 | 3 | 100% | 0 | 0.0% |
| **6.** | **Total differently abled workers (F + G)** | **3** | **3** | **100%** | **0** | **0.0%** |

21. Participation/Inclusion/Representation of women

| Particulars | Total (A) | No. and percentage of Females | |
|---|---|---|---|
| | | No. (B) | % (B / A) |
| Board of Directors | 11* | 2 | 20.00 |
| Key Management Personnel | 3 | 0 | 0 |

* Including Mr Subir Bose (w.e.f. 15.05.2024)

22. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

| Particulars | FY 23-24 (Turnover rate in current FY) | | | FY 22-23 (Turnover rate in previous FY) | | | FY 21-22 (Turnover rate in the year prior to the previous FY) | | |
|---|---|---|---|---|---|---|---|---|---|
| | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| Permanent Employees | 32.56% | 30.56% | 32.52% | 33.54% | 14.72% | 33.00% | 17.30% | 11.77% | 17.12% |
| Permanent Workers | 2.73% | 10.00% | 2.82% | 14.18% | 12.90% | 11.51% | 4.05% | 0.00% | 4.03% |

## V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. (a) Names of holding/subsidiary/associate companies/joint ventures

| S. No. | Name of the holding/ subsidiary/associate companies/joint ventures (A) | Indicate whether holding Subsidiary/ Associate/ Joint Venture | % of shares held by listed entity | Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No) |
|---|---|---|---|---|
| 1. | Berger Jenson & Nicholson (Nepal) Private Limited | Subsidiary | 100 | No |
| 2. | Beepee Coatings Private Limited | Subsidiary | 100 | No |
| 3. | SBL Specialty Coatings Private Limited | Subsidiary | 100 | No |
| 4. | Berger Paints (Cyprus) Limited | Subsidiary | 100 | No |
| 5. | Lusako Trading Limited | Subsidiary | 100 | No |
| 6. | Berger Hesse Wood Coatings Private Limited | Subsidiary | 51 | No |
| 7. | Berger Rock Paints Private Limited | Subsidiary | 51 | No |
| 8. | STP Limited | Subsidiary | 95.53 | No |
| 9. | Berger Becker Coatings Private Limited | Joint Venture | 48.98 | No |
| 10. | Berger Nippon Paint Automotive Coatings Private Limited | Joint Venture | 49 | No |
| 11. | Surefire Management Services Limited | Joint Venture | 75 | No |
| 12. | U K Paints (India) Private Limited | Holding | 50.10 | No |

## VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) Yes

(ii) Turnover (in ₹): 10,002.93 Crore

(iii) Net worth (in ₹): 5,005.24 Crore

## VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

| Stakeholder group from whom complaint is received | Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide weblink for grievance redress policy) | FY 23-24 Current Financial Year | | | FY 22-23 Previous Financial Year | | |
|---|---|---|---|---|---|---|---|
| | | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks |
| Communities | Community beneficiaries can send their complaint to : consumerfeedback@bergerindia.com and Complaints which are not frivolous are investigated and resolved in a time bound manner. | Nil | Nil | — | Nil | Nil | — |
| Investors (other than shareholders) | No | Nil | Nil | Nil | Nil | Nil | — |
| Shareholders | consumerfeedback@bergerindia.com , arunitoganguly@bergerindia.com, rajide@bergerindia.com and rta@cbmsl.com Post such complaints, internal process of resolution is activated. | 11 | 1 | It has been resolved in April, 2024 | 9 | Nil | — |
| Employees and workers | The company has a Grievance Redressal Policy which is robust and all serious complaints, if any are considered for early resolution. | 1 | Nil | POSH Complaint has been resolved in March, 2024 | Nil | Nil | — |
| Customers | The company has a dedicated complaint/feedback email id which is consumerfeedback@bergerindia.com. Post such complaints, internal process of resolution is activated. | 12018 | 176 | — | 9058 | 145 | — |

## Annexure VII to the Directors' Report (contd.)

| Stakeholder group from whom complaint is received | Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy) | FY 23-24 Current Financial Year | | | FY 22-23 Previous Financial Year | | |
|---|---|---|---|---|---|---|---|
| | | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks |
| Value Chain Partners | The company has a dedicated complaint/feedback email id which is consumerfeedback@bergerindia.com. Post such complaints, internal process of resolution is activated. | Nil | Nil | — | Nil | Nil | — |
| Other (please specify) | No | Nil | Nil | — | Nil | Nil | — |

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

| S. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk /opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|---|---|---|---|---|---|
| 1. | Green House Gas (GHG) Management | Opportunity | Berger has taken several steps to reduce Green House Gas emissions, either through process changes or planned alternative energy. Latest in this matter is obtaining the GREENGUARD Gold Certification Standard includes health-based criteria for additional chemicals and also requires lower total VOC emissions levels to ensure that products are acceptable for use in environments such as schools and healthcare facilities. | — | Positive. The efforts in reduction of Green House Gas (GHG) shall also enable better usage and thereby impact lowering of cost. |
| 2. | Climate | Risk | The risks associated with the physical impacts of climate change stem from catastrophic events that may affect our Production infrastructure located in various parts of the country. The increasing frequency and severity of extreme weather events, such as Thunderstorms, Cyclones, Floods, Cloud Bursts, Landslides, Soil Erosion, Earthquakes, and Wildfires, pose significant challenges. | Mitigation can take place through careful assessment and planning for such risks with consideration for their time horizon and potential consequences. Ensuring the resilience of our infrastructure and implementing proactive measures are crucial to mitigating the adverse effects of climate change and safeguarding our operations. Moreover the company has taken comprehensive insurance to cover such eventualities. | Negative |
| 3. | Human Rights | Opportunity | The Company has implemented a robust Human Rights Policy and procedure which will enhance productivity at all levels. | — | Positive. Human rights policy clearly states inclusivity of employees, zero tolerance to abuse and discrimination. The adherence to this policy shall continue to generate best of talents and consequent productivity. |
| 4. | Stakeholder Engagement | Opportunity | The Company has a planned outreach to value chain partners by conducting awareness programs and also has ongoing programmes with engagement with investors and employees. | — | Positive. As the Company has connected with local eco- chain on sustainability issues, the benefits of such good practices shall be apparent in its sourcing and branding. |
| 5. | Water Management | Risk | Although the Company is engaged in achieving water positive status in all plants, water being a finite resource can become a challenge in future. | The Company is planning for better water conservation through rain water harvesting, recycling of used water and reduced wastage in production facilities. | Negative. Shortage of water through natural resources could be a concern in future. |

# Annexure VII to the Directors' Report (contd.)

## Section B: Management and Process Disclosures

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

| | Disclosure Questions | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Policy and management processes** | | | | | | | | | | |
| 1. | a. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| | b. Has the policy been approved by the Board? (Yes/No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| | c. Web Link of the Policies, if available | **https://www.bergerpaints.com/about-us/policies/business-responsibility-and-sustainability-policy** | | | | | | | | |
| 2. | Whether the entity has translated the policy into procedures. (Yes / No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 3. | Do the enlisted policies extend to your value chain partners? (Yes/No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 4. | Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle. | - | ISO 9001:2015, ISO 14001:2015 and products range conforming to BIS/GRIHA/ ISI/IGBC specifications | ISO 45001:2018 & products conforming to U/L specifications | Plants are designed as per national and international standards – NBC/ NFPA/ EN/ ATEX etc and compliance is ensured | - | EIA is carried out for all projects under the MOEF/ NGT guidelines under EPA. | - | SIA is carried out for all Projects. | - |
| 5. | Specific commitments, goals and targets set by the entity with defined timelines, if any. | - | Each of the procedures connected with the policies are reviewed annually as to its performance and non-achievement if any. The goals relating to all the principles are at place and are being constantly reviewed for improvement. | | | | | | | |
| 6. | Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met. | - | The Company has not witnessed any underperformance. | | | | | | | |
| **Governance, leadership and oversight** | | | | | | | | | | |
| 7. | Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure).<br>Berger Paints India Limited (the Company ) is gearing itself to integrate Environmental, Social and Governance (ESG) principles into its businesses which is essential to embed the subject of Sustainability in its system. Consequently the company adheres to the principles of product stewardship by enhancing health, safety and environmental impacts of products and services across their life-cycles. The environmental criteria impacts Climate, Resources (Energy & Water), Waste Management and Nature & Biodiversity. The Company has committed to achieve progress on such matters by taking steps to reduce its carbon emission and implement policies for Safety, Health & Environment ('SHE'). In addition the Company is committed to conducting beneficial and fair business practices to the labour, human capital and to the community.<br>The Company also strives to inculcate the values of ESG during its constant engagement with Key Stakeholders including Value chain Partners. | | | | | | | | | |
| 8. | Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies). | Name – Mr Abhijit Roy<br>Designation – Managing Director and CEO<br>DIN Number – 03439064 | | | | | | | | |
| 9. | Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details. | The entity has an ESG Committee empowered by Board and headed by an Independent Director, where Mr Abhijit Roy is also a member with other divisional heads. | | | | | | | | |

10. Details of Review of NGRBCs by the Company:

| Subject for Review | Indicate whether review was undertaken by Director/Committee of the Board/Any other Committee | | | | | | | | | Frequency (Annually/ Half yearly/ Quarterly/Any other – please specify) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
| Performance against above policies and follow up action | Y | Y | Y | Y | Y | Y | Y | Y | Y | | | | | Annually | | | | |
| Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances | Y | Y | Y | Y | Y | Y | Y | Y | Y | | | | | Annually | | | | |

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.

| P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|---|---|---|---|---|---|---|---|---|
| No | No | No | No | No | No | No | No | No |

12. If answer to question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated:

| Questions | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|---|---|---|---|---|---|---|---|---|---|
| The entity does not consider the Principles material to its business (Yes/No) | — | — | — | — | — | — | — | — | — |
| The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No) | — | — | — | — | — | — | — | — | — |
| The entity does not have the financial or/human and technical resources available for the task (Yes/No) | | | | | | | | | |
| It is planned to be done in the next financial year (Yes/No) | | | | | | | | | |
| Any other reason (please specify) | | | | | | | | | |

## Section C: Principle Wise Performance Disclosure

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

# Annexure VII to the Directors' Report (contd.)

**PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner, that is Ethical, Transparent and Accountable.**

**Essential Indicators**

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

| Segment | Total number of training and awareness programmes held | Topics principles covered under the training and its impact | %age of persons in respective category covered by the awareness programmes |
|---|---|---|---|
| Board of Directors | 2 | General Awareness of the Business and its conduct including ESG matters. | 100 |
| Key Managerial Personnel | 2 | General Awareness of the Business and its conduct including ESG matters. | 100 |
| Employees other than BoD and KMPs | 120 | 1.Business Ethics | 79 |
| | 218 | 2. Health & Safety | 84 |
| | 242 | 3. Skill Upgradation | 83 |
| | 89 | 4. Human Rights | 51 |
| Workers | 28 | 1. Business Ethics | 72 |
| | 1233 | 2. Health & Safety | 88 |
| | 28 | 3. Skill Upgradation | 91 |

2. Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as disclosed on the entity's website):

| Monetary | | | | | |
|---|---|---|---|---|---|
| | NGRBC Principle | Name of the regulatory enforcement agencies/ judicial institutions | Amount (In INR) | Brief of the Case | Has an appeal been preferred? (Yes/No) |
| Penalty/ Fine | Nil | Nil | Nil | Nil | Nil |
| Settlement | Nil | Nil | Nil | Nil | Nil |
| Compounding fee | Nil | Nil | Nil | Nil | Nil |

| Non-Monetary | | | | |
|---|---|---|---|---|
| | NGRBC Principle | Name of the regulatory enforcement agencies/ judicial institutions | Brief of the Case | Has an appeal been preferred? (Yes/No) |
| Imprisonment | Nil | Nil | Nil | Nil |
| Punishment | Nil | Nil | Nil | Nil |

3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.

| Case Details | Name of the regulatory/enforcement agencies/judicial institutions |
|---|---|
| — | — |

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy. Yes It is available in the Code of Conduct given in our website. Bribery can be considered to be included under "material benefits" as given in the following line in the Code of Conduct: -

   Please refer to the following link: **https://www.bergerpaints.com/about-us/policies/anti-bribery-and-anti-corruption-policy**

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

| | FY 23-24 Current Financial Year | FY 22-23 Previous Financial Year |
|---|---|---|
| Directors | Nil | Nil |
| KMPs | Nil | Nil |
| Employees | Nil | Nil |
| Workers | Nil | Nil |

6. Details of complaints with regard to conflict of interest:

| | FY 23-24 Current Financial Year | | FY 22-23 Previous Financial Year | |
|---|---|---|---|---|
| | Number | Remarks | Number | Remarks |
| Number of complaints received in relation to issues of Conflict of Interest of the Directors | Nil | — | Nil | — |
| Number of complaints received in relation to issues of Conflict of Interest of the KMPs | Nil | — | Nil | — |

7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest: Nil

8. Number of days of accounts payables (Accounts payable *365)/Cost of goods/services procured) in the following format:

| | FY 23-24 Current Financial Year | FY 22-23 Previous Financial Year |
|---|---|---|
| Number of days of accounts payables | 97 | 101 |

9. Open-ness of business

   Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

| Parameter | Metrics | FY 23-24 Current Financial Year | FY 22-23 Previous Financial Year |
|---|---|---|---|
| Concentration of Purchases | a. Purchases from trading houses as % of total purchases | 22% | 21% |
| | b. Number of trading houses where purchases are made from | 327 | 343 |
| | c. Purchases from top 10 trading houses as % of total purchases from trading houses | 48.8% | 40.9% |

## Annexure VII to the Directors' Report (contd.)

| Parameter | Metrics | FY 23-24 Current Financial Year | FY 22-23 Previous Financial Year |
|---|---|---|---|
| Concentration of Sales | a. Sales to dealers/distributors as % of total sales | 84.89% | 85.57% |
| | b. Number of dealers / distributors to whom sales are made | 41,379 | 37,229 |
| | c. Sales to top 10 dealers distributors as % of total sales to dealers/distributors | 2.4% | 2.27% |
| Share of RPTs in | a. Purchases (Purchases with related parties/Total Purchases) | 4% | 5% |
| | b. Sales (Sales to related parties/Total Sales) | 1% | 1% |
| | c. Loans & advances (Loans & advances given to related parties/Total loans & advances) | 100% | 100% |
| | d. Investments (Investments in related parties/Total Investments made) | 94% | 97% |

**Leadership Indicators**

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

| Total number of awareness programmes held | Topics/ principles covered under the training | %age of value chain programmes partners covered (by value of business done with such partners) under the awareness programmes |
|---|---|---|
| 4 | Human Rights for Corporates | 80% |

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same. No.

**PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe**

**Essential Indicators**

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

| | Current Financial Year | Previous Financial Year | Details of improvements in environmental and social impacts |
|---|---|---|---|
| R&D | 20%* | 11%* | 1. Use of environmentally friendly chemicals in designing architectural paints<br>2. Development of products with lower carbon footprint<br>3. Development of high solid products to reduce VOC emissions<br>4. Development of air- dying systems for industrial products which require baking at present. Some baking systems are being converted to low bake systems which will require lower energy. |
| Capex | 23.2%* | 8%* | Investment in various machines and instruments that are used in preparation and testing of products mentioned above |

* The various machines and instruments bought through capex have widespread application including the ones that are mentioned above. The percentage weightage indicated in the above table is the average usage in specified sustainability projects.

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No) — Yes
   b. If yes, what percentage of inputs were sourced sustainably? — 75%

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.
   (a) Plastic packaging waste (both pre-consumer and post-consumer) undergo recycling for which the company appoints agencies for ensuring the necessary liaison with PWP (plastic waste processors) for recycling and credit transfer which is essential for the EPR target fulfilment on the CPCB portal. For FY 2023-24, in accordance to the guidelines of the Plastic Waste Management rules, the company is fulfilling its EPR obligations.
   (b) E-waste generated at the company's office/manufacturing/sales location falls under the bulk consumer category and the same is being disposed off safely to E-waste management agency and it is ensured that the E-waste is recycled in a proper and environmental friendly and sustainable manner in compliance to the E-waste Management rules, 2022. Recycling certificates along with manifest form is duly submitted to SPCB/CPCB as applicable.
   (c) Hazardous Waste is disposed through authorized recycler/ co-processer/ CHWTSDF registered with respective SPCBs.
   (d) Other waste generated is being either re-used by other purposes/ in house recycling or being safely disposed-off in compliance to local Municipality laws. Bio-Medical waste generated at occupational health centres of manufacturing units are disposed through various Biomedical waste Disposal facility as per BMW authorization.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards. If not, provide steps taken to address the same.

   Yes. EPR applicable for Plastic Packaging Waste and the waste collection is done by company through agencies/PWP (plastic waste processors) who carry the same as per EPR target fixed by CPCB in accordance to the Plastic Waste management rules.

**Leadership Indicators**

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

   The Life Cycle Assessments (LCA) of last Financial Year 2022-23 was concluded and no additional project was undertaken in the current Financial Year 2023-24.

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective/Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same:

| Name of Product/ Service | Description of the risk/concern | Action Taken |
|---|---|---|
| — | — | — |

Not Applicable as there are no concerns.

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

| Indicate Input Material | Recycled or re-used input material to total material | |
|---|---|---|
| | FY 23-24 Current Financial Year | FY 22-23 Previous Financial Year |
| Washing Solvent Recycled | 2.8% | 2.5% |
| Powder RM /Sweeping dust Recovered | 0.14% | 0.13% |

## Annexure VII to the Directors' Report (contd.)

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

| | FY 23-24 Current Financial Year | | | FY 22-23 Previous Financial Year | | |
|---|---|---|---|---|---|---|
| | **Re-Used** | **Recycled** | **Safely Disposed** | **Re-Used** | **Recycled** | **Safely Disposed** |
| Plastics (including packaging) | 0 | 17020.97* | 9.088 | 0.000 | 15458.000 | 0.000 |
| E-waste | 0 | 0 | 9.19 | 0.000 | 0.000 | 4.12 |
| Hazardous waste | 1069.73 | 915.92 | 2499.775 | 286.79 | 924.46 | 1602.417 |
| Other waste | 0 | 513.65 | 2956.59 | 34.596 | 35.358 | 2226.768 |

* Due to CPCB portal issues, further PO's to WMA/PWP could not be fulfilled as per target before reporting date.

However company will ensure EPR target compliance before Annual return submission.

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

| **Indicate product category** | **Reclaimed products and their packaging materials as % of total products sold in the respective catagory** |
|---|---|
| EPR for entire Plastics Packaging by Brand Owner | 100% |

**PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains**

**Essential Indicators**

1. a. Details of measures for the well-being of employees:

| Category | % of employees covered by | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Total (A)** | **Health insurance** | | **Accident insurance** | | **Maternity benefits** | | **Paternity Benefits** | | **Day Care facilities** | |
| | | Number (B) | % (B / A) | Number (C) | % (C/ A) | Number (D) | % (D/ A) | Number (E) | % (E/A) | Number (F) | % (F/ A) |
| **Permanent employees** | | | | | | | | | | | |
| Male | 3915 | 3915 | 100 | 3915 | 100 | 0 | 0 | 3272 | 83.6 | 0 | 0 |
| Female | 86 | 86 | 100 | 86 | 100 | 86 | 100 | 0 | 0 | 0 | 0 |
| **Total** | **4001** | **4001** | **100** | **4001** | **100** | **86** | **2.1** | **3272** | **81.8** | **0** | **0** |
| **Other than Permanent employees** | | | | | | | | | | | |
| Male | 3044 | 3044 | 100 | 3044 | 100 | 0 | 0 | 0 | 0 | 0 | 0 |
| Female | 99 | 99 | 100 | 99 | 100 | 99 | 100 | 0 | 0 | 0 | 0 |
| **Total** | **3143** | **3143** | **100** | **3143** | **100** | **99** | **3.1** | **0** | **0** | **0** | **0** |

b. Details of measures for the well-being of workers:

| Category | % of workers covered by | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Total (A)** | **Health insurance** | | **Accident insurance** | | **Maternity benefits** | | **Paternity Benefits** | | **Day Care facilities** | |
| | | Number (B) | % (B / A) | Number (C) | % (C/ A) | Number (D) | % (D/ A) | Number (E) | % (E/A) | Number (F) | % (F/ A) |
| **Permanent workers** | | | | | | | | | | | |
| Male | 443 | 443 | 100 | 443 | 100 | 0 | 0 | 0 | 0 | 0 | 0 |
| Female | 1 | 1 | 100 | 1 | 100 | 1 | 100 | 0 | 0 | 0 | 0 |
| **Total** | 444 | 444 | 100 | 444 | 100 | 1 | 0.2 | 0 | 0 | 0 | 0 |
| **Other than Permanent workers** | | | | | | | | | | | |
| Male | 5889 | 218 | 3.7 | 218 | 3.7 | 0 | 0 | 0 | 0 | 0 | 0 |
| Female | 221 | 0 | 0.0 | 0 | 0.0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total** | 6110 | 218 | 3.6 | 218 | 3.6 | 0 | 0 | 0 | 0 | 0 | 0 |

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

| | FY 23-24 Current Financial Year | FY 22-23 Previous Financial Year |
|---|---|---|
| Cost incurred on well- being measures as a % of total revenue of the company | 0.08% | 0.07% |

2. Details of retirement benefits, for Current Financial Year and Previous Financial Year.

| Benefits | FY 23-24 Current Financial Year | | | FY 22-23 Previous Financial Year | | |
|---|---|---|---|---|---|---|
| | **No. of employees covered as a % of total employees** | **No. of workers covered as a % of Total workers** | **Deducted and deposited with the authority (Y/N/N.A.)** | **No. of employees covered as a % of total employees** | **No. of workers covered as a % of total workers** | **Deducted and deposited with the authority (Y/N/N.A.)** |
| PF | 100.0 | 100.0 | Yes | 100 | 100 | Yes |
| Gratuity | 100.0 | 100.0 | Yes | 100 | 100 | Yes |
| ESI | 0.02 | 3.60 | Yes | 0.75 | 0.75 | Yes |
| Others – EPS (Employee Pension Scheme) | 77.86 | 58.78 | Yes | 100 | 100 | Yes |

3. **Accessibility of workplaces**

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

- Steps taken to make our offices disabled employee friendly and from the Financial Year 2024-2025, there will be substantial positive change in this matter.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy. Yes. **https://www.bergerpaints.com/about-us/policies/equal-employment-opportunity-policy**

## Annexure VII to the Directors' Report (contd.)

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

| Gender | Permanent employees | | Permanent workers | |
|---|---|---|---|---|
| | Return to work rate | Retention rate | Return to work rate | Retention rate |
| Male | 100.0% | 100.0% | *N.A. | *N.A. |
| Female | 100.0% | 100.0% | 100.0% | 100.0% |
| **Total** | 100.0% | 100.0% | 100.0% | 100.0% |

* Not Applicable

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

| | Yes/No (If Yes, then give details of the mechanism in brief) |
|---|---|
| Permanent Workers | Yes, any grievance brought to the notice, is discussed and resolved by a dedicated team consisting of respective department HOD, HR and Plant Head. Union for workers and complaint box for all. |
| Other than Permanent Workers | Yes. Any grievance brought to the notice, is discussed & resolved by team consist of respective department HOD, HR and Plant Head.<br>Yes, Complaint box. |
| Permanent Employees | Please refer to the Grievance Redressal Policy of the Company, which details the procedure also |
| Other than Permanent Employees | Please refer to the Grievance Redressal Policy of the Company, which details the procedure also. |

7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

| Category | FY 23-24 Current Financial Year | | | FY 22-23 Previous Financial Year | | |
|---|---|---|---|---|---|---|
| | Total employees/ workers in respective category (A) | No. of employees/ workers in respective category, who are part of association(s) or Union (B) | % (B / A) | Total employees/ workers in respective category (C) | No. of Employees/ workers in respective category, who are part of association(s) or Union (D) | % (D / C) |
| **Total Permanent Employees** | 4001 | 59 | 1.5 | 2973 | Nil | Nil |
| - Male | 3915 | 59 | 1.5 | 2915 | Nil | Nil |
| -Female | 86 | 0 | 0 | 58 | Nil | Nil |
| **Total Permanent Workers** | 444 | 251 | 56.5 | 1115 | 319 | 28.61 |
| Male | 443 | 250 | 56.4 | 1096 | 319 | 29.11 |
| Female | 1 | 1 | 100 | 19 | Nil | Nil |

8. Details of training given to employees and workers:

| Category | FY 23-24 Current Financial Year | | | | | FY 22-23 Previous Financial Year | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | On Health and safety measures | | On Skill upgradation | | Total (D) | On Health and safety measures | | On Skill upgradation | |
| | | No. (B) | % (B/A) | No. (C) | % (C/A) | | No. (E) | % (E/D) | No. (F) | % (F/D) |
| **Employees** | | | | | | | | | | |
| Male | 6959 | 5873 | 84 | 5797 | 83 | 2915 | 1873 | 64.25 | 996 | 34.17 |
| Female | 185 | 137 | 74 | 142 | 77 | 58 | 36 | 62.10 | 14 | 24.10 |
| **Total** | 7144 | 6010 | 84 | 5939 | 83 | 2973 | 1909 | 64.21 | 1010 | 33.97 |
| **Workers** | | | | | | | | | | |
| Male | 6332 | 5578 | 88 | 5776 | 91 | 1096 | 900 | 82.12 | 376 | 34.31 |
| Female | 222 | 194 | 87 | 185 | 83 | 19 | 19 | 100 | 11 | 57.89 |
| **Total** | 6554 | 5772 | 88 | 5961 | 91 | 1115 | 919 | 82.42 | 387 | 34.71 |

9. Details of performance and career development reviews of employees and worker:

| Category | FY 23-24 Current Financial Year | | | FY 22-23 Previous Financial Year | | |
|---|---|---|---|---|---|---|
| | Total (A) | No. (B) | % (B/A) | Total (C) | No. (D) | % (D/C) |
| **Employees** | | | | | | |
| Male | 3915 | 3001 | 76.7 | 2915 | 1732 | 59.42 |
| Female | 86 | 64 | 74.4 | 58 | 36 | 62.10 |
| **Total** | 4001 | 3065 | 76.6 | 2973 | 1768 | 59.47 |
| **Workers** | | | | | | |
| Male | 443 | 321 | 72.5 | 1096 | 602 | 54.93 |
| Female | 1 | 1 | 100.00 | 19 | 15 | 78.95 |
| **Total** | 444 | 322 | 72.5 | 1115 | 617 | 55.34 |

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes, the company has implemented an occupational health and safety management system which is covered to all stakeholders. This system encompasses risk assessment and planning, operational controls, employee training, monitoring and compliance reporting, emergency preparedness, and continuous improvement processes. The coverage and implementation details are tailored to meet the industrial standards and the specific operational needs of entity, aligning with ISO 45001 standards & certifications.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

We follow a systematic approach to identify work-related hazards. This includes but is not limited to –

- Regular inspections of the workplace to identify hazards such as chemical exposure, machinery malfunctions, or ergonomic issues.

## Annexure VII to the Directors' Report (contd.)

- Reviewing incident reports and near-misses to identify areas of concern.
- Consulting with employees and safety representatives who work directly with the equipment or processes to gather insights into potential hazards.
- Using risk assessment tools like HAZOP, HIRA, QRA, etc. for each activity or process, routine and for any significant project changes, including green/brown field projects to quantify and prioritise risks & involving relevant stakeholders, including employees, supervisors, and safety experts, in the risk assessment process. For critical changes, a Process Hazard Analysis (PHA) using HAZOP methodology is conducted by qualified professionals. This process systematically identifies potential hazards in the workplace and assesses the risks associated with them. Appropriate control measures are then determined to mitigate these risks. HAZOP studies are carried out across all units, and safety improvements are regularly implemented to reduce or eliminate risks in processes and operations.
- Regular safety audits and inspections by both external and internal parties in planned/surprise fashion to ensure compliance with safety procedures and regulations.
- Comprehensive safety measures through routine and specialised assessments conducted by reputable agencies and consultants. These include Hazardous Area Classification, ATEX Studies, Chemical Process Safety Assessments, Fire & Life Safety Assessments, and Electrical Safety Assessments.
- Ongoing training and education programs to keep employees informed about potential hazards and safe work practices.
- Implementing feedback mechanisms like near miss reporting, Abnormality Identification, Safety committee review, etc. to allow employees to report hazards or suggest improvements to safety procedures.
- On a non-routine basis we are also conducting risk assessments before introducing new processes, equipment, or materials into the workplace.
- Developing specific risk assessment protocols for non-routine tasks or activities, such as maintenance work or emergency response procedures.
- All major injuries & high potential incidents undergo detailed investigation using the methodology like 5-why analysis, 5W1H, Fishbone Analysis, etc. Corrective action & preventive action plan (CAPA) is then developed based on the findings of the investigation. The learnings are implemented & horizontally deployed across other units to avoid repetitive incidents and corrective actions are driven by site leadership of each location.

  By following these steps, we can proactively identify and mitigate work-related hazards, helping to ensure the safety and well-being of their employees.

c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)

Yes, we have Abnormality reporting, Near miss reporting and Safety committee meetings to collect feedback from our employees on any impending risk in their work areas and also try to understand the potential chances of risk from our existing process in a such a way so that solutions can be devised to mitigate such risks.

These processes typically involve clear communication channels for reporting hazards, training on hazard recognition, and empowering workers to stop work if they see in any imminent danger at workplace.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes all permanent employees are covered under ESI scheme/ Medical health insurance scheme.



11. Details of safety related incidents, in the following format :-

| Safety Incident/Number | Category | FY 23-24 Current Financial Year | FY 22-23 Previous Financial Year |
|---|---|---|---|
| Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) | Employees | 0 | 1.37* |
| | Workers | 0 | 2.087* |
| Total recordable work-related injuries | Employees | 4 | 6 |
| | Workers | 19 | 76 |
| No. of fatalities | Employees | 0 | 1 |
| | Workers | 0 | 5 |
| High consequence work-related injury or ill-health (excluding fatalities) | Employees | 0 | 1 |
| | Workers | 0 | 16 |

* Re-arranged as per change in calculation criteria

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

Yes all permanent employees are covered under ESI scheme/ Medical health insurance scheme.

We are increasingly leveraging technology such as sensors, IoT devices, modern age equipments, etc. to monitor workplace conditions in real-time. This includes monitoring air quality, temperature for fire related devices activation and logic for smart automation, noise levels, critical areas for any toxic gas release, etc. to identify potential hazards and ensure compliance with safety standards. Ensuring compliance with relevant occupational health and safety regulations and standards set forth by local authorities and industry organizations with regularly reviewing and updating safety protocols to align with any changes in regulations or best practices has been our prime goal.

All our sites have emergency response plans for various scenarios, such as fires, chemical spills, or medical emergencies and we also ensure that employees are trained in emergency procedures and that adequate resources are available to respond effectively to emergencies. Conducting mock drills with supervision and associating with local fire authorities at our plants helps us to improve the standards of the exercise and identify any potential gap which is taken care with utmost priority.

We also encourage employee involvement in safety initiatives by soliciting feedback, conducting safety committees or meetings, and recognizing and rewarding safe behaviors. Creating an environment where employees feel empowered to report hazards and suggest improvements to safety practices.

The company also offers medical check-up, health and wellness programs to promote employee well-being, including access to healthcare services, counseling, fitness programs, and ergonomic assessments to prevent work-related injuries and illnesses.

For shop floor personnel, we ensure use of appropriate personal protective equipment, such as helmets, safety shoes, safety goggles, gloves, respirators, and protective clothing, to employees based on the nature of their work and potential hazards present in the workplace.

We are also conducting regular inspections of the workplace to identify and address potential hazards, such as faulty equipment, spills, or unsafe working conditions and working continuously towards building up robust maintenance program each year to ensure that machinery and facilities are properly maintained and in good working condition.

Also, comprehensive safety training is provided to all employees, including proper handling of chemicals, equipment operation, emergency procedures, and ergonomics. This ensures that employees are aware of potential hazards and know how to work safely.

We keep our new facilities abreast with Latest firefighting technologies which can be operated at a safe distance through SCADA as well as can be automatically actuated based on logic controlled programs. Fail safe scenarios are being developed to identify any gap in the existing control measures and best in class technologies/equipment are being installed at the shop floor to ensure that manual mistakes do not lead to any incident by making the system tamper-proof. We practice isolation

## Annexure VII to the Directors' Report (contd.)

measures through LOTO implementation in our shutdown/maintenance activities and all non- routine activities which are not involved in production is being carried out through Work Permit System.

Through proper identification and isolation of zones, we ensure that suitable flame proof equipment, firefighting devices and other preventive measures like Guard cover, multiple layer of protection in solvent & monomer unloading/handling, working practices as per standard procedure, necessary Single Point lessons, compatibility chart, etc. are being installed at the shop floor and proper training is provided to workers/operators and staff who are involved in the respective activities.

13. Number of Complaints on the following made by employees and workers:

| | FY 23-24 Current Financial Year | | | FY 22-23 Previous Financial Year | | |
|---|---|---|---|---|---|---|
| | **Filed during the year** | **Pending resolution at the end of year** | **Remarks** | **Filed during the year** | **Pending resolution at the end of year** | **Remarks** |
| Working Conditions | Nil | Nil | — | Nil | Nil | — |
| Health & Safety | Nil | Nil | — | Nil | Nil | — |

14. Assessments for the year:

| | **% of your plants and offices that were assessed (by entity or statutory authorities or third parties)** |
|---|---|
| Health and safety practices | 100% covered by Internal and External Auditors (DISH Inspectors, TUV Nord India Pvt Ltd., Ms. Cholamandalam Risk Services, Ms. Consultivo Business Solution, Ms. IND Safe Risk consulting, MSD Consultancy etc.) |
| Working Conditions | 100% covered by Internal and External Auditors (DISH Inspectors, TUV Nord India Pvt Ltd., Ms. Cholamandalam Risk Services, Ms Consultivo Business Solution, Ms. IND Safe Risk consulting, MSD Consultancy etc.) |

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/ concerns arising from assessments of health & safety practices and working conditions.

Any significant risk/concern highlighted during the external or internal reviews/ routine and non-routine inspection/by workers or operators, etc. is being taken up with utmost priority and operations are also dismissed until proper corrective action is being taken while a robust preventive action plan is being drawn up by the local/Corporate Safety team. Near miss reporting and CAPA against any incident/accident is being done through online portal where tracking of such open issues is being done and proper resolution is being implemented through involvement of all concerned team members.

To address significant risks and concerns arising from assessments of health & safety practices and working conditions following measures are in place

- Developing a comprehensive Health & Safety Management System (HSMS) to ensure that all employees are aware of their responsibilities and the risks associated with their work.
- Establishing a Health & Safety Committee to review and monitor safety performance and ensure that any risks and concerns are addressed.
- Introducing a range of safety training programmes to ensure that all employees are aware of their responsibilities and the risks associated with their work.
- Implementing a range of safety initiatives to reduce the risk of accidents and injuries, such as ensuring proper personal protective equipment (PPE) compliance and the use of safety signage and warning systems.
- Carrying out regular risk assessments to identify any potential hazards and take appropriate action to reduce or eliminate them.
- Working with external health and safety consultants to review and update safety policies and procedures
- Establishing a safety culture within the organization to ensure that safety is given the highest priority.

With this approach, there had been no accident/major incidents in the past year. For minor spill and leakage related incidents which occurred previously both Corrective and preventive actions have been taken up. No environmental damage has occurred as the spills at the respective locations were contained and most of the material was also recovered however to ensure such material loss does not happen the installations were reviewed and necessary changes in the pipes and joints were being done by respective vendors.

Change management has also been introduced to ensure that any transitions in the process/ product is transitioned smoothly by providing a structured approach to planning, implementing, and monitoring changes. Also we ensure effective communication at all stages of the change process. Clear and transparent communication helps employees understand the reasons for the changes, the expected outcomes, and their roles in the process. This reduces uncertainty and confusion, leading to better acceptance of the changes and safer working environment.

### Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N). – Yes

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

   - Regular audits are done at the third party service providers end as to whether statutory compliance have been done and reimbursement/ Payment is done based on production of evidence on compliances made.

3. Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

| | **Total no. of affected employees/ workers** | | **No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment** | |
|---|---|---|---|---|
| | **FY 23-24 Current Financial Year** | **FY 22-23 Previous Financial Year** | **FY 23-24 Current Financial Year** | **FY 22-23 Previous Financial Year** |
| Employees | 0 | 2 | - | 1 |
| Workers | 0 | 21 | - | 17 |

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No) – Yes

5. Details on assessment of value chain partners:

| | **% of value chain partners (by value of business done with such partners) that were assessed** |
|---|---|
| Health and safety practices | NIL |
| Working Conditions | NIL |

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

   NIL

# Annexure VII to the Directors' Report (contd.)

**PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders**

**Essential Indicators**

1. Describe the processes for identifying key stakeholder groups of the entity.

   The internal and external groups/bodies whose activities, participation and aspirations are integral to the business and have significant impact on the operations of Berger Paints India Limited, are regarded as key stakeholder groups and have been identified accordingly.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

| S. No. | Stakeholder Group | Whether identified as Vulnerable & Marginalized Group (Yes/No) | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Websites), Others | Frequency of engagement (Annually /Half yearly/Quarterly others- please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement |
|---|---|---|---|---|---|
| 1. | Shareholder | No | Done through Annual General Meeting/Stock Exchange Disclosures/ Half yearly Results Publication/ Quarterly Results Publication/ Complaints and Resolutions. | AGM- Annually<br>H/Y Results- Half yearly<br>Q/Y Results- Quarterly<br>Others - Factory visits | Financial Results, Dividends, financial Stability, Significant changes in shareholding, ESG practices, climate change risks, cyber risks, growth prospects |
| 2. | Employees | No | Done through MDs communications, various HOD Communications including apprising of HR practices, KRA reviews, team meetings, performance appraisals, union meetings, wellness initiatives, Grievance Mechanism Functioning, email, intranet, websites, poster campaigns, house magazines, confluence, circulars, quarterly publication, newsletters. | Ongoing, year round process | Performance analysis and career path setting, innovation, operational efficiencies, improvement areas, long-term strategy plans, training and awareness, responsible marketing, brand communication, health, safety and engagement initiative, ESG awareness |
| 3. | Customers | No | Through distributor, retailer, direct customer, achievers' meets, senior leader and customer meets/visits, customer plant visits, focus group discussion, trade body membership, complaints management, helpdesk, website, conferences, information on changes, customer surveys, excursions, frequent business meets and travels. | Ongoing, year round process | Product quality and availability, responsiveness to needs, increase of sales targets, business responsibility guidelines |
| 4. | Suppliers/ Partners | No | Prequalification/vetting, communication and partnership meets, plant visits, MoU and framework agreements, online training, meets, contract management/ review, product workshops/on site presentations, satisfaction surveys, help desks. | Ongoing, year round process | Quality, timely delivery and payments, ESG consideration (sustainability, safety checks, compliances, ethical behavior), ISO and OHSAS standards, Introduction of ESG qualities |
| 5. | Government | No | Advocacy meetings with local/state / national government ministries, authorities, seminars, media releases, related meetings. | Ongoing, year round process | Compliance with ESG practices (frameworks for sustainability and beyond compliance changes in regulatory frameworks, skill and capacity building, employment, environmental measures), policy advocacy, timely contribution to exchequer |
| 6. | Communities | Yes | Community visits and projects, partnership with local charities, volunteerism, seminars/conferences. | Ongoing | Waste management, integrated water management, clean water, climate change impacts, community development, self-sustainability, livelihood support, disaster relief, support of the United Nations Sustainable Development Goal (UN SDGs) building capacity of future leaders, digital ecosystem development |

**Leadership Indicators**

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

   The company has engaged with customers and suppliers on matters of human rights Ethics and business values in a robust forum of discussion. The feedback has been positive but no discernible suggestions have yet emerged for consideration.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

   Yes, the company has commenced the process and worthwhile suggestions, if any will be incorporated on merit.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.- The Company has not engaged with vulnerable/marginalised stakeholder groups.

**PRINCIPLE 5 Businesses should respect and promote human rights**

**Essential Indicators**

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

| Category | FY 23-24 Current Financial Year | | | FY 22-23 Previous Financial Year | | |
|---|---|---|---|---|---|---|
| | Total (A) | No. of employees/ workers covered (B) | % (B/A) | Total (C) | No. of employees/ workers covered (D) | % (D/C) |
| **Employees** | | | | | | |
| Permanent | 4001 | 2046 | 51 | 2973 | 1825 | 61.3 |
| Other than permanent | 3143 | Nil | Nil | 4909 | Nil | Nil |
| **Total Employees** | **7144** | **2046** | **29** | **7882** | **1825** | **23.2** |
| **Workers** | | | | | | |
| Permanent | 444 | 165 | 37.16 | 1115 | 376 | 33.72 |
| Other than permanent | 6110 | Nil | Nil | 2819 | Nil | Nil |
| **Total Workers** | **6554** | **165** | **2.51** | **3934** | **376** | **9.56** |

2. Details of minimum wages paid to employees and workers, in the following format:

| Category | FY 23-24 Current Financial Year | | | | | FY 22-23 Previous Financial Year | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | Equal to Minimum Wage | | More than Minimum Wage | | Total (D) | Equal to Minimum Wage | | More than Minimum Wage | |
| | | No. (B) | % (B/A) | No. (C) | % (C/A) | | No. (E) | % (E/D) | No. (F) | % (F/D) |
| **Employees** | | | | | | | | | | |
| **Permanent** | | | | | | | | | | |
| Male | 3915 | 0 | 0.00 | 3915 | 100.00 | 2915 | *NA | *NA | 2915 | 100 |
| Female | 86 | 0 | 0.00 | 86 | 100.00 | 58 | *NA | *NA | 58 | 100 |

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| Category | FY 23-24 Current Financial Year | | | | | FY 22-23 Previous Financial Year | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | Equal to Minimum Wage | | More than Minimum Wage | | Total (D) | Equal to Minimum Wage | | More than Minimum Wage | |
| | | No. (B) | % (B/A) | No. (C) | % (C/A) | | No. (E) | % (E/D) | No. (F) | % (F/D) |
| **Employees** | | | | | | | | | | |
| **Other than Permanent** | | | | | | | | | | |
| Male | 3044 | 0 | 0 | 3044 | 100.00 | 4687 | 2355 | 50.2 | 2332 | 50 |
| Female | 99 | 0 | 0 | 99 | 100.00 | 222 | 96 | 43.2 | 126 | 57 |
| **Workers** | | | | | | | | | | |
| **Permanent** | | | | | | | | | | |
| Male | 443 | 0 | 0 | 443 | 100.00 | 1096 | *NA | *NA | 1096 | 100 |
| Female | 1 | 0 | 0 | 1 | 100.00 | 19 | *NA | *NA | 19 | 100 |
| **Other than Permanent** | | | | | | | | | | |
| Male | 5889 | 5671 | 96.3 | 218 | 3.7 | 2738 | 1820 | 66.4 | 918 | 33.53 |
| Female | 221 | 221 | 100.00 | 0 | 0 | 81 | 67 | 82.7 | 14 | 17.29 |

*Not Applicable

3. Details of remuneration/salary/wages

a. Median remuneration / wages:

| | Male | | Female | |
|---|---|---|---|---|
| | Number | Median remuneration/ salary/ wages of respective category | Number | Median remuneration/ salary/ wages of respective category |
| Board of Directors (BoD) | 10* | | | |
| Executive Director | 2 | 4,44,98,351.5 | 1 | 72,26,075 |
| Non- Executive Director (Commission only) | 6 | 7,20,000 | 1 | 7,20,000 |
| Key Managerial Personnel | 3 | 92,24,026 | 0 | 0 |
| Employees other than BoD and KMP | 3911 | 9,44,862 | 85 | 6,97,665 |
| Workers | 443 | 2,62,896 | 1 | 2,98,440 |

* Excluding Mr Subir Bose who was appointed w.e.f. 15.05.2024.

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

| | FY 23-24 Current Financial Year | FY 22-23 Previous Financial Year |
|---|---|---|
| Gross wages paid to females as % of total wages | 0.22% | 0.24% |

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

No individual or committee has been tasked with this responsibility. Such matters are dealt by Human Resource Department.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company has framed a comprehensive HR Policy and all grievances relating to Employees are dealt in a fair and transparent manner based on the provisions mentioned in the said policy.

6. Number of Complaints on the following made by employees and workers:

| | FY 23-24 Current Financial Year | | | FY 22-23 Previous Financial Year | | |
|---|---|---|---|---|---|---|
| | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Sexual Harassment | 1 | Resolved | * Please refer notes | Nil | Nil | Nil |
| Discrimination at workplace | Nil | Nil | Nil | Nil | Nil | Nil |
| Child Labour | Nil | Nil | Nil | Nil | Nil | Nil |
| Forced Labour/Involuntary Labour | Nil | Nil | Nil | Nil | Nil | Nil |
| Wages | Nil | Nil | Nil | Nil | Nil | Nil |
| Other human Rights related issues | Nil | Nil | Nil | Nil | Nil | Nil |

**Notes:-** * Yes & the accused person is terminated in the month of April 2024.

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format.

| | FY 23-24 Current Financial Year | FY 22-23 Previous Financial Year |
|---|---|---|
| Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013(POSH) | 1 | Nil |
| Complaints on POSH as a % of female employees/ workers | 0.25 | Nil |
| Complaints on POSH upheld | Yes & the accused person is terminated in the month of April 2024. | Nil |

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Such matters, if any are referred to the Internal Complaint Committee and the Human Resource Department for appropriate action.

9. Do human rights requirements form part of your business agreements and contracts?

(**Yes/No)** Yes

## Annexure VII to the Directors' Report (contd.)

10. Assessments for the year:

| | % of your plants & offices that were assessed (by entity or statutory authorities or third parties) |
|---|---|
| Child labour | 100 % |
| Forced/involuntary labour | 100 % |
| Sexual harassment | 100 % |
| Wages | 100 % |
| Others- please specify | 100 % |

Self-assessment done internally. No external agency was involved.

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above: No corrective action is warranted as no significant concerned has emerged.

### Leadership Indicators

1. Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints.

   No such case warranted action.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

   Constant vigilance is carried out by Factory and Office personnel throughout the year.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

   Steps taken to make our offices disabled employee friendly and from the Financial Year 2024-25, there will be substantial positive change in this matter.

4. Details on assessment of value chain partners:

| | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|---|---|
| Child labour | The Company has undertaken Value Chain Outreach in 2023-24 disseminating information on Human Rights, Equal Opportunity and ESG matters and encouraging the latter to walk the ESG path. The matter of assessment is under process. It is planned to hold more awareness programmes on such matters. |
| Forced/involuntary labour | |
| Sexual harassment | |
| Wages | |
| Others- please specify | |

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above. Not Applicable

## PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

### Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

| Parameter | FY 23-24 Current Financial Year | FY 22-23 Previous Financial Year |
|---|---|---|
| **From renewable sources** | | |
| Total electricity consumption (A) | 3,32,47,030 MJ | 2,39,08,147 MJ |
| Total fuel consumption (B) | 15,69,33,100 MJ | 12,43,70,049.7 MJ |
| Energy consumption through other sources (C) | 0 | 0 |
| **Total energy consumed from renewable sources (A+B+C)** | 19,01,80,130 MJ | 14,82,78,197 MJ |
| **From non-renewable sources** | | |
| Total electricity consumption (D) | 14,88,49,387 MJ | 12,63,70,595 MJ |
| Total fuel consumption (E) | 6,76,96,934 MJ | 7,36,95,358.85 MJ |
| Energy consumption through other sources (F) | - | 37,33,992 MJ* |
| **Total energy consumed from non-renewable sources (D+E+F)** | 21,65,46,321 MJ | 20,37,99,946 MJ* |
| **Total energy consumed (A+B+C+D+E+F)** | 406726451 MJ | 352078143 MJ* |
| **Energy intensity per rupee of turnover** (Total energy consumed/ Revenue from operations) | 4066.077 MJ/Mln.INR | 3717.58 MJ/Mln.INR |
| **Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)** (Total energy consumed/Revenue from operations adjusted for PPP) | 91080 MJ/Mln.INR adjusted for PPP | 82418.8 MJ/Mln.INR adjusted for PPP |
| **Energy intensity in terms of physical output** | 552.955 MJ/ KL-MT | 544.62 MJ/ KL-MT |
| Energy intensity (optional) – the relevant metric may be selected by the entity | - | - |

* Rearranged as per changed in the calculation criteria.

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. The energy consumption data and energy intensity data are audited and verified by Futurestation Advisors LLP as part of 'Reasonable Assurance' for the BRSR.

2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any. No

3. Provide details of the following disclosures related to water, in the following format:

| Parameter | FY 23-24 Current Financial Year | FY 22-23 Previous Financial Year |
|---|---|---|
| **Water withdrawal by source (in kilolitres)** | | |
| (i) Surface water | - | 92356 |
| (ii) Groundwater | 384081 | 300375 |
| (iii) Third party water | 87724 | 8512 |

## Annexure VII to the Directors' Report (contd.)

| Parameter | FY 23-24 Current Financial Year | FY 22-23 Previous Financial Year |
|---|---|---|
| (iv) Seawater / desalinated water | – | – |
| (v) Others | 3730 | 5373 |
| **Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)** | 475535 | 406616 |
| **Total volume of water consumption (in kilolitres)** | 414424 | 404321 |
| **Water intensity per rupee of turnover** (Total water consumption/Revenue from operations) | 4.14KL/Mln.INR | 4.27KL/Mln.INR |
| **Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)** (Total water consumption/Revenue from operations adjusted for PPP) | 92.8KL/Mln.INR adjusted for PPP | 94.6 KL/Mln.INR adjusted for PPP |
| **Water intensity in terms of physical output** | 0.56 KL/ KL-MT | 0.62 KL/KL-MT |
| **Water intensity** (optional) – the relevant metric may be selected by the entity | – | – |

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. Futurestation Advisors LLP has conducted a resonable assurance.

4. Provide the following details related to water discharged:

| Parameter | FY 23-24 Current Financial Year | FY 23-24 Previous Financial Year |
|---|---|---|
| **Water discharge by destination and level of treatment (in kilolitres)** | | |
| (i) To Surface water | Nil | Nil |
| – No treatment | Nil | Nil |
| – With treatment – please specify level of Treatment (through ETP (Primary, secondary, and tertiary treatment) | 8942 | 8668.25 |
| (ii) To Groundwater | Nil | Nil |
| – No treatment | Nil | Nil |
| – With treatment – please specify level of treatment | Nil | Nil |
| (iii) To Seawater | Nil | Nil |
| (iii) To Seawater | Nil | Nil |
| – No treatment | Nil | Nil |
| – With treatment – please specify level of treatment | Nil | Nil |
| (iv) Sent to third-parties | Nil | Nil |
| – No treatment | Nil | Nil |
| – With treatment – please specify level of Treatment (After primary & secondary treatment sent to CETP) | 3020 | 2855 |
| (v) Others | Nil | Nil |
| – No treatment | Nil | Nil |
| – With treatment – please specify level of Treatment (ZLD/Gardening/ Firewater tank top-up/process) | 49149 | 32047 |
| **Total water discharged (in kilolitres)** | 61110.80 | 43570.25 |

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. Futurestation Advisors LLP has conducted a resonable assurance.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes, 50% manufacturing locations have been covered and operating successfully. One more plant will be covered with ZLD installations by Financial Year 2024-25.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

| Parameter | Please specify unit | FY 23-24 Current Financial Year | FY 22-23 Previous Financial Year* |
|---|---|---|---|
| NOx | mg/m3 (Average) | 30.75 | 30.13 |
| SOx | mg/m3 (Average) | 19.19 | 17.78 |
| Particulate matter (PM) | mg/m3 (Average) | 53.76 | 50.15 |
| Persistent organic pollutants (POP) | – | – | – |
| Volatile organic compounds (VOC) | ppm (Average) | 4.01 | 5.50 |
| Hazardous air pollutants (HAP) | – | – | – |
| **Others – please specify** | – | – | – |

* Rearranged.

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, Envirocheck, Envirotech, Qualissure, EkoPro Aman Enviro, etc. and others as approved by local PCBs.

Apart from Quarterly work place monitoring there are CPCB authorized audits from Industry experts and competent bodies which are conducted on surprise/ planned basis and no non-conformance observed in last FY.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

| Parameter | Unit | FY 23-24 Current Financial Year | FY 22-23 Previous Financial Year |
|---|---|---|---|
| **Total Scope 1 emissions** (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) | Metric tonnes of CO2 equivalent | 9666 | 2484.73 |
| **Total Scope 2 emissions** (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) | Metric tonnes of CO2 equivalent | 29604.49 | 29837.5 |
| **Total Scope 1 and Scope 2 emission intensity per rupee of turnover** (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations) | Metric tonnes of CO2 Equivalent/Mln-INR of Turnover | 0.39 | 0.34 |
| **Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)** (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations adjusted for PPP) | Metric tonnes of 022 Equivalent/ Mln-INR adjusted for PPP | 8.79 | 7.57 |
| **Total Scope 1 and Scope 2 emission intensity in terms of physical output** | Metric tonnes of CO2 Equivalent /KL- MT | 0.053 | 0.049 |
| **Total Scope 1 and Scope 2 emission intensity** (optional) – the relevant metric may be selected by the entity | - | - | - |

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. Futurestation Advisors LLP has conducted a reasonable assurance.

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

| Sl. No. | Project Name | Project Cost (₹ in Crores) | When Implemented | Cost Savings in FY 23-24 (₹ in Crores) | GHG Emission reduction in FY 23-24 (Mt of CO2) |
|---|---|---|---|---|---|
| 1 | Rooftop Solar Power Plant - Hindupur | 3.65 | Feb'20 | 1.38 | 988.8 |
| 2 | Rooftop Solar Power Plant - Jejuri Ph I | 3.10 | Oct'20 | 1.28 | 859.0 |
| 3 | Rooftop Solar Power Plant - Jejuri Ph II - **New Addition** | 1.00 | Sep'23 | | |

## Annexure VII to the Directors' Report (contd.)

| Sl. No. | Project Name | Project Cost (₹ in Crores) | When Implemented | Cost Savings in FY 23-24 (₹ in Crores) | GHG Emission reduction in FY 23-24 (Mt of CO2) |
|---|---|---|---|---|---|
| 3 | Rooftop Solar Power Plant - Naltali Ph I | 1.01 | Nov'20 | 0.42 | 299.5 |
| | Rooftop Solar Power Plant - Naltali Ph II | 0.76 | Apr'22 | | |
| 4 | Rooftop Solar Power Plant - Rishra | 1.90 | Feb'21 | 0.44 | 364.7 |
| 5 | Rooftop Solar Power Plant – Goa | 2.06 | Jan'22 | 0.49 | 425.9 |
| 6 | Rooftop Solar Power Plant - Pondicherry Ph I | 1.79 | Dec'22 | 0.79 | 765.7 |
| | Rooftop Solar Power Plant - Pondicherry Ph II -**New Addition** | 1.53 | Apr'23 | | |
| 7 | Rooftop Solar Power Plant - Sandila | 6.89 | Oct'22 | 2.04 | 1753.3 |
| 8 | Rooftop Solar Power Plant – Jammu | 2.21 | Nov'22 | 0.29 | 400.4 |
| 9 | Rooftop Solar Power Plant - Br. Paints - Hindupur Ph I | 2.12 | Jan'20 | 0.96 | 933.2 |
| | Rooftop Solar Power Plant - Br. Paints - Hindupur Ph II | 1.41 | Aug'21 | | |
| 10 | Rooftop Solar Power Plant - Br. Paints - Sikandrabad Ph I | 1.35 | Jun'21 | 0.27 | 245.9 |
| | Rooftop Solar Power Plant - Br. Paints - Sikandrabad Ph II - **New Addition** | 0.90 | Aug'23 | | |
| 11 | Rooftop Solar Power Plant - Br. Paints - Nalbari | 0.95 | Jun'21 | 0.16 | 177 |

9. Provide details related to waste management by the entity, in the following format:

| Parameter | FY 23-24 Current Financial Year | FY 22-23 Previous Financial Year |
|---|---|---|
| **Total Waste generated (in metric tonnes)** | | |
| Plastic waste **(A)** | 1216 | 124.63 |
| E-waste **(B)** | 7 | 4 |
| Bio-medical waste **(C)** | 0 | 0.008 |
| Construction and demolition waste **(D)** | 0 | 0 |
| Battery waste **(E)** | 60 | 4 |
| Radioactive waste **(F)** | 0 | 0 |
| Other Hazardous waste. Please specify, if any. **(G)** | 3709 | 2301.88 |
| Other Non-hazardous waste generated **(H)**. Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector) | 3339 | 2278.28 |
| **Total (A + B + C + D + E + F + G + H)** | **8331** | **4711.799** |
| **Waste intensity per rupee of turnover** (Total waste generated/Revenue from operations) | 0.083 MT/Mln. INR | 0.0498 MT/Mln. INR |
| **Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)** (Total waste generated/Revenue from operations adjusted for PPP) | 1.87 MT/Mln. INR adjusted for PPP | 1.1 MT/Mln. INR adjusted for PPP |
| **Waste intensity in terms of physical output** | 0.011 MT/ KL-MT | 0.007 MT/ KL-MT |
| **Waste intensity** (optional) – the relevant metric may be selected by the entity | - | - |

| Parameter | FY 23-24 Current Financial Year | FY 22-23 Previous Financial Year |
|---|---|---|
| **For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)** | | |
| **Category of waste** | | |
| (i) Recycled | 839 | 942.358 |
| (ii) Re-used | 1047 | 308.596 |
| (iii) Other recovery operations | 3 | 47.027 |
| **Total** | **1889** | **1297.98** |
| **For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)** | | |
| **Category of waste** | | |
| (i) Incineration | 0 | 5 |
| (ii) Landfilling | 0 | 264 |
| (iii) Other disposal operations | 6442 | 3548.818 |
| **Total** | **6442** | **3816.818** |

**Note:** : Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?
(Y/N) If yes, name of the external agency.
Yes. Futurestation Advisors LLP has conducted a reasonable assurance.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Company has launched a project **WOW (War on Waste)** under Manufacturing excellence umbrella which aims at 4R (Reduce, Reuse, Recycle, Recreate) under which reduction of waste at source, Sticky loss recovery, powder RM reuse in batches and recreate a usable RM from waste is being done and system is set in place to monitor the process and ensure that no such material sent out as waste.

For filling operation all our plants have shifted towards use of automatics machines, where the chance of spillage is very less. Excess/less filing is stopped which could result in product rejection due to tinting.

Defect prevention is targeted in products through RFT (Right First Time) implementation to minimize process waste generation.

Washing solvent generated from washing of equipment is being reused in subsequent production batches. Spent solvent is reused for cleaning purpose and after multiple such uses, fresh solvent is recovered in-house from waste solvent through distillation process. The recovered fresh solvent is recycled into paint manufacturing process related activities. '19th barrel syndrome' – project taken to limit generation of washing solvent at plant so within 18 barrels washing solvent generated gets reused in washing.

Barrels used for production and storage purposes are re-used - another step towards Carbon Footprint reduction.

Plastic waste from raw material packaging and damaged packaging material is sent to an authorized plastic recycler. Under Plastic Waste management rules, Berger Paints has established action plan as per our EPR obligations and carried out the compliance for recycling with company appointed WMA (Waste Management Agencies). Also, recycled plastic content is used in our product packaging which ensured that use of virgin plastic can be reduced.

Waste generated inside the plant is being collected and disposed through approved Cement plants for co-processing.

Powder collected from Dust extraction system is reused in making economy grade products.

**Project JAL** has been taken ahead by the plants to curb wastage of water and which has helped to save on an average of 3.2 lac Liters of water daily.

Through **Project PARAGON** our in-transit damages have reduced significantly causing lesser harm to environment and better storage condition at the depots.

## Annexure VII to the Directors' Report (contd.)

We have also implemented a number of waste reduction initiatives, such as reducing packaging, using recycled materials, and encouraging employees to reduce their own waste. We have implemented a number of waste recycling programs, such as paper, plastic, Container segregation and its best utilization. These initiatives help us to reduce our environmental impact and ensure that our products and processes are safe and sustainable.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format: None

| S. No. | Location of operations/ offices | Type of operations | Whether the conditions of environmental approval/ clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any. |
|---|---|---|---|
| – | – | – | – |

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

| Name and brief details of project | EIA Notification No. | Date | Whether conducted by independent external agency (Yes/No) | Results communicated in public domain (Yes/No) | Relevant Web link |
|---|---|---|---|---|---|
| Additional Capacity expansion at Hindupur, AP | S.O. 1533 (E) dated 14.09.2006 | 17.04.2023 | Yes | Yes | **https://www.bergerpaints.com/about-us/expansions** |
| Panagarh Project, WB | S.O. 1533 (E) dated 14.09.2006 | 17.08.2023 | Yes | No, undergoing assessment | – |

13. Is the entity compliant with the applicable environmental law/regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

| S. No. | Specify the law/regulation/ guidelines which was not complied with | Provide details of the non-compliance | Any fines/penalties/ action taken by regulatory agencies such as pollution control boards or by courts | Corrective action taken, if any |
|---|---|---|---|---|
| 1 | Water (Prevention and Control of Pollution) Act | None | None | NA |
| 2 | Air (Prevention and Control of Pollution) Act | None | None | NA |
| 3 | Environment Protection Act | None | None | NA |

### Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

   For each facility/plant located in areas of water stress, provide the following information:

   (i) Name of the area – Berger Paints Hindupur

   (ii) Nature of operations – Liquid paints Manufacturing

(iii) Water withdrawal, consumption and discharge in the following format:

| Parameter | FY 23-24 Current Financial Year | FY 22-23 Previous Financial Year |
|---|---|---|
| **Water withdrawal by source (in kilolitres)** | | |
| (i) Surface water | - | 40656 |
| (ii) Groundwater | Nil | Nil |
| (iii) Third party water | 38819 | 3640 |
| (iv) Seawater / desalinated water | Nil | Nil |
| (v) Others | - | 38 |
| **Total volume of water withdrawal (in kilolitres)** | **38819** | **44334** |
| **Total volume of water consumption (in kilolitres)** | **38819** | **44334** |
| **Water intensity per rupee of turnover** (Water consumed / turnover) | 0.388 KL/Mln.INR | 0.468 KL/Mln.INR |
| **Water intensity** (optional) – the relevant metric may be selected by the entity | - | - |
| **Water discharge by destination and level of treatment (in kilolitres)** | | |
| (i) Into Surface water | Nil | Nil |
| – No treatment | Nil | Nil |
| – With treatment – please specify level of treatment | Nil | Nil |
| (ii) Into Groundwater | Nil | Nil |
| – No treatment | Nil | Nil |
| – With treatment – please specify level of treatment | Nil | Nil |
| (iii) Into Seawater | Nil | Nil |
| – No treatment | Nil | Nil |
| – With treatment – please specify level of treatment | Nil | Nil |
| (iv) Sent to third-parties | Nil | Nil |
| – No treatment | Nil | Nil |
| – With treatment – please specify level of treatment | Nil | Nil |
| (v) Others | Nil | Nil |
| – No treatment | Nil | Nil |
| – With treatment – please specify level of treatment Through ETP (Primary, secondary, and tertiary treatment) | 4572.09 | 4235 |
| **Total water discharged (in kilolitres)** | **4572.09** | **4235** |

**Note:** Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. Futurestation Advisors LLP has conducted a reasonable assurance.

(i) Name of the area – British Paints division of the Company, Hindupur

(ii) Nature of operations-Liquid paints Manufacturing

(iii) Water withdrawal, consumption and discharge in the following format:

| Parameter | FY 23-24 Current Financial Year | FY 22-23 Previous Financial Year |
|---|---|---|
| **Water withdrawal by source (in kilolitres)** | | |
| (i) Surface water | - | - |
| (ii) Groundwater | 16062 | 17073 |
| (iii) Third party water | 202 | Nil |
| (iv) Seawater/desalinated water | Nil | Nil |
| (v) Others | 0 | 476 |
| **Total volume of water withdrawal (in kilolitres)** | 16264 | 17549 |
| **Total volume of water consumption (in kilolitres)** | 16051 | 16353 |
| **Water intensity per rupee of turnover** (Water consumed/turnover) | 0.16 KL/Mln.INR | 0.17 KL/Mln.INR |
| **Water intensity** (optional) – the relevant metric may be selected by the entity | – | – |

## Annexure VII to the Directors' Report (contd.)

| Parameter | FY 23-24 Current Financial Year | FY 22-23 Previous Financial Year |
|---|---|---|
| **Water discharge by destination and level of treatment (in kilolitres)** | | |
| (i) Into Surface water | Nil | Nil |
| - No treatment | Nil | Nil |
| - With treatment – please specify level of treatment | Nil | 720 |
| (ii) Into Groundwater | Nil | Nil |
| - No treatment | Nil | Nil |
| - With treatment – please specify level of treatment | Nil | Nil |
| (iii) Into Seawater | Nil | Nil |
| - No treatment | Nil | Nil |
| - With treatment – please specify level of treatment | Nil | Nil |
| (iv) Sent to third-parties | Nil | Nil |
| - No treatment | Nil | Nil |
| - With treatment – please specify level of treatment | Nil | Nil |
| (v) Others | Nil | Nil |
| - No treatment | Nil | Nil |
| - With treatment – please specify level of treatment | 213 | Nil |
| **Total water discharged (in kilolitres)** | **213** | **720** |

(i) Name of the area – British Paints division of the Company, Sikandrabad

(ii) Nature of operations-Liquid Paints Manufacturing

(iii) Water withdrawal, consumption and discharge in the following format

| Parameter | FY 23-24 Current Financial Year | FY 22-23 Previous Financial Year |
|---|---|---|
| **Water withdrawal by source (in kilolitres)** | | |
| (i) Surface water | – | – |
| (ii) Groundwater | 13823.9 | 16059 |
| (iii) Third party water | Nil | Nil |
| (iv) Seawater / desalinated water | Nil | Nil |
| (v) Others | Nil | Nil |
| **Total volume of water withdrawal (in kilolitres)** | 13823.9 | 16059 |
| **Total volume of water consumption (in kilolitres)** | 13158.77 | 15785 |
| **Water intensity per rupee of turnover** (Water consumed/turnover) | 0.13 KL/ Mln. INR | 0.17 KL/ Mln. INR |
| **Water intensity** (optional) – the relevant metric may be selected by the entity | – | – |
| **Water discharge by destination and level of treatment (in kilolitres)** | | |
| (i) Into Surface water | Nil | Nil |
| - No treatment | Nil | Nil |
| - With treatment – please specify level of treatment | Nil | 750 |
| (ii) Into Groundwater | Nil | Nil |
| - No treatment | Nil | Nil |
| - With treatment – please specify level of treatment | Nil | Nil |
| (iii) Into Seawater | Nil | Nil |
| - No treatment | Nil | Nil |
| - With treatment – please specify level of treatment | Nil | Nil |
| (iv) Sent to third-parties | Nil | Nil |
| - No treatment | Nil | Nil |
| - With treatment – please specify level of treatment | Nil | Nil |
| (v) Others | Nil | Nil |
| - No treatment | Nil | Nil |
| - With treatment – please specify level of treatment | 665 | Nil |
| **Total water discharged (in kilolitres)** | 665 | 750 |

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

| Parameter | Unit | FY 23-24 Current Financial Year | FY 22-23 Previous Financial Year |
|---|---|---|---|
| **Total Scope 3 emissions** (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) | Metric tonnes of CO2 equivalent | NA* | NA* |
| **Total Scope 3 emissions per rupee of turnover** | – | NA* | NA* |
| **Total Scope 3 emission intensity** (optional) – the relevant metric may be selected by the entity | – | – | – |

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.
Yes. Futurestation Advisors LLP has conducted a reasonable assurance.

***The Company has not carried out computation of Scope 3 emissions for the current year.**

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.
Not Applicable

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/effluent discharge/waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

| S. No. | Initiative undertaken | Details of the initiative (Web-link, if any, may be provided along-with summary) | Outcome of the initiative |
|---|---|---|---|
| 1 | Zero Liquid Discharge System | From the Effluent Treatment Plants installed at all of our Units, the treated water was earlier released after the characteristics of the effluent water were met as per the PCB recommendation but, to recycle & reuse that water & thereby, to reduce the water consumption of the Units, we have also installed ZLD (Zero Liquid Discharge) systems at applicable units which consists of various Filtration units along with RO module & MEE (Multiple Effect Evaporator). Further we have upgraded the system with MVRE which is low energy consumption. After treating the effluent water coming from ETP, through ZLD system, this water is used for domestic & industrial utility application. | 1) Zero discharge of liquid effluent & reuse of the same after treatment.<br>2) Reduction of water consumption. |
| 2 | Effluent Treatment Plants in all Berger Units, with Activated Sludge Process & Tertiary Treatment. | Essentially, the paints manufacturing process, as such, does not directly generate any wastewater streams to cause any water pollution. However, at a typical paints manufacturing facility, the wastewater streams generated from the operations include those from equipment cleaning/ reactor washing and from the support utilities. These waste water are collected from their respective point of generation & transferred to the ETP's with Activated Sludge Process & Tertiary Treatment, where these are treated to maintain level for certain parameters like BOD, COD, TDS, TSS etc. within the limits prescribed by the PCB. | 1) Reduction of BOD, COD, TSS etc. to the maximum extent in the treated water, to maintain the same within the prescribed limit of PCB. |
| 3 | Usage of Bio-Fuel instead of Diesel for the Thermic Fluid Heaters of Resin Plants. | In the Resin Plants, Thermic Fluid Heaters are used to supply process heat to the Reactors. Earlier we used Diesel as the fuel for this Thermic Fluid Heaters but now we have replaced the Diesel fired heaters by Bio-fuel fired Heaters like use of Ground nut pellets, cashew nuts pellets, Sugarcane baggase, etc. with fully automatic closed loop charging system. Bio-fuel being much greener fuel compared to Diesel, the Carbon foot print & Green House gas emission has reduced dramatically, apart from the huge monetary savings obtained. | 1) Reduction of huge amount carbon foot print.<br>2) Reduction of Green House Gas emission. |

## Annexure VII to the Directors' Report (contd.)

| S. No. | Initiative undertaken | Details of the initiative (Web-link, if any, may be provided along-with summary) | Outcome of the initiative |
|---|---|---|---|
| 4 | Usage of PNG (CLEANER –Fuel) instead of LSHS for the Thermic Fluid Heaters of Resin Plants and DUAL Fuel KIT PNG Based for operation of DG Set | 1. PNG Cleaner Fuel has been used by replacing LSHS/ HSD/ FO Pollutant Fuel earlier being used for operation of Resin Thermopac, which is much cleaner fuel means that it produces fewer emissions and pollutants when burned. This helps to reduce air pollution and improve air quality.<br>2. PNG is also more efficient than LSHS, meaning that it requires less fuel to generate the same amount of heat. This can result in lower operating costs for the thermic fluid heater.<br>3. PNG is also a safer fuel than LSHS, as it is non-toxic and lighter than air. This reduces the risk of fire and other accidents in the workplace.<br>4. Finally, PNG is a more sustainable fuel than LSHS, as it is derived from Fossils fuels and very cleaner fuel not left any residue .This helps to reduce the environmental impact of the thermic fluid heater. | 1) Reduction of huge amount carbon foot print.<br>2) Reduction of Green House Gas emission. |
| 5 | (B)All Out | Project (B)ALL Out, our flagship initiative to enhance grinding efficiency with safer & economically viable means, has made significant progress since you have last heard about it. We have successfully replaced Ball Mills with safer and more efficient technologies, such as Basket Mills, IEC, Stator Rotor, mixed combinations, or new technologies. This strategic move has not only mitigated safety risks and eliminated noise pollution but also delivered substantial power savings. | We have been able to save more than two lacs unit of electricity through this initiative. |
| 6 | DPV Water reuse | We have installed Pigging system in our plant to collect maximum retention during emulsion and water based paints transfer. This is being recollected and used up in batches thereby helping to decrease material loss and decrease our ETP load. | Around 100 KL of water and 20 MT of emulsion per month is being saved through this initiative. |
| 7 | Project JAL | Taken across all our units with target to reduce our ETP intake water by 50% through re-using measures, arresting leakages and spread awareness on less wastage of water and proper accounting. | 1) 3.2 Lac Litres of water saved daily.<br>2) No need to enhance ETP capacity with increase in production load |
| 8 | Green STP | Rediscovering Nature's Genius in treating Sewage - the cow's stomach. The unique patented technology treats sewage in a decentralized, self- sustainable way in underground chambers without power, chemicals or human intervention. Using Biomimicry, regenerative innovation inspired by nature, the Green-STP utilizes functional principles and strategies of microorganisms and ecosystem found in a cow's stomach | 15,00,000 Liter sewage water purification per year capacity. |
| 9 | Rain-water harvesting by adaptation of pond | An artificial pond is being adopted in nearby village at Gaziveerpuram which will recharge 50 % rain water and 50% will evaporate by sun dried of own storage capacity. | 43155 m3 of annual rainfall is being harvested |
| 10 | Installation of Roof Top Solar Power Plant | We have recognized the importance of sustainability and renewable energy. One of the initiatives they might have undertaken is the installation of rooftop solar plants on their facilities. Solar energy has significantly reduce electricity consumption over the long term. By generating our own electricity from solar panels, we have been able to offset the consumption from the grid, thus switching over to cleaner and greener alternatives. | 1,00,74,876 kWh generated in FY 23-24 |
| 11 | Many products have been developed with zero heavy metal content | All our Two-wheeler formulations are RoHS compliant. In decorative segment, we offer Green label certified products. | Lead, Chrome, Mercury Free products |

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/web link.

   Yes, the entity has a business continuity and disaster management plan. This plan outlines the steps the entity will take to ensure the continuity of operations in the event of a disaster. It includes a risk assessment, a detailed plan for responding to and recovering from a disaster, and a plan for testing and maintaining the plan. The plan also includes a communication plan to ensure that employees, customers, and other stakeholders are informed of the situation and the steps that are being taken to address it. The plan is regularly updated to ensure that it is current and effective.

   On site emergency plans are available and communicated to the relevant stakeholders. Mock Drills are conducted periodically as emergency preparedness plan to deal with any unforeseeable natural or man-made disaster or emergency situation.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

   Not Assessed

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

   None

**PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

**Essential Indicators**

1. a. Number of affiliations with trade and industry chambers/ associations.

   - Manufacturing Excellence team has won 'Smart and Future Ready Factory of the year Award' at Manufacturing and MSME Conclave 2023 by ASSOCHAM.
   - Berger Paints received the Gold Award for excellence in EHS practices during CII- SR- EHS Excellence Awards 2023.
   - Naltali Plant won the State championship at 16th CII Encon Awards 2023.
   - Jejuri Unit declared winner in 4th Green Urja & Energy efficiency Awards.
   - Corporate Manufacturing Excellence team has won the "Special Jury" award in CII External Regional Productivity Awards 2022.
   - Corporate Engineering and VVN unit won Genentech Energy Conservation Award 2021.
   - Berger Paints won Best in Class Carbon Footprint award in the Stars of the Industry Awards -2021 by the World Manufacturing Congress.
   - Corporate EHS won most prestigious Environment Protection Awards – 2021 by Greentech Foundation as Winner in the Gold Category, competing with all large Public Sector Organizations and large Multi-National Companies.

   b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/affiliated to.

| S. No. | Name of the trade and industry chambers/associations | Reach of trade and industry chambers/ associations (State/National) |
|---|---|---|
| 1 | Bengal Chamber of Commerce and Industry (BCC & I) | State |
| 2 | Confederation of Indian Industry (CII) | National |
| 3 | Indian Paint Association (IPA) | National |

## Annexure VII to the Directors' Report (contd.)

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

| Name of authority | Brief of the case | Corrective action taken |
|---|---|---|
| Nil | Nil | Nil |

There is no adverse order against the Company.

### Leadership Indicators

1. Details of public policy positions advocated by the entity:

| S. No. | Public Policy advocated | Method resorted for such advocacy | Whether information available in public domain? (Yes/No) | Frequency of Review by Board (Annually/Half yearly/ Quarterly/Others – please specify) | Web Link, if available |
|---|---|---|---|---|---|
| – | Nil | Nil | Nil | Nil | – |

### PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

### Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

| Name and brief details of project | SIA Notification No. | Date of Notification | Whether conducted by independent external agency (Yes/No) | Results communicated in public domain (Yes/No) | Relevant Web link |
|---|---|---|---|---|---|
| Additional Capacity expansion at Hindupur, AP | As per the EIA notification S.O. 1533 (E) dated 14.09.2006, EIA studies are being carried out. Socio Economic Impact Assessment is being carried out for criteria such as – 1. Employment to local people 2. Transportation of raw material and finished goods 3. Contribution to state and central exchequers by way of taxes and duty 4. CER activities which bring positive impact towards development of ecosystem and social habitat Social management plan is accordingly developed. | 17.04.2023 | Yes | Yes | **https://www.bergerpaints.com/about-us/expansions** |
| Panagarh Project, WB | | 17.08.2023 | Yes | No, undergoing assessment | |

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format: Not Applicable

| S. No. | Name of Project for which R&R is ongoing | State | District | No. of Project Affected Families (PAFs) | % of PAFs covered by R&R | Amounts paid to PAFs in the FY (In INR) |
|---|---|---|---|---|---|---|
| – | – | – | – | – | – | – |

3. Describe the mechanisms to receive and redress grievances of the community.
Berger Paints has a process to receive, register, assess and resolve grievances of CSR beneficiaries

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

| | FY 23-24 Current Financial Year | FY 22-23 Previous Financial Year |
|---|---|---|
| Directly sourced from MSMEs/small producers | 11% | 22% |
| Directly from within India | 79% | 78% |

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost:

| Location* | FY 23-24 Current Financial Year | FY 22-23 Previous Financial Year |
|---|---|---|
| Rural | 20.26% | 20.26% |
| Semi-urban | 3.33% | 3.32% |
| Urban | 43.61% | 43.41% |
| Metropolitan | 32.78% | 32.99% |

*(Place to be categorized as per RBI Classification System - rural/semi-urban/urban/metropolitan)

### Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

| Details of negative social impact identified | Corrective action taken |
|---|---|
| There are no negative impacts. However, projects are undertaken maintaining all environmental related recommendations mentioned in the ToR report issued by competent authority. | Not applicable as there are no negative impacts. |

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

| S. No. | State | Aspirational District | Amount spent (In INR) |
|---|---|---|---|
| 1 | Andhra Pradesh | Vizianagaram | 1,77,760 |
| 2 | Assam | Barpeta | 58,960 |
| 3 | Bihar | Aurangabad | 97,460 |
| 4 | Bihar | Gaya | 1,14,840 |
| 5 | Bihar | Katihar | 76,780 |
| 6 | Bihar | Muzaffarpur | 3,35,060 |
| 7 | Bihar | Sitamarhi | 78,100 |
| 8 | Chhattisgarh | Bijapur | 1,95,140 |
| 9 | Chhattisgarh | Korba | 2,13,840 |
| 10 | Chhattisgarh | Rajnandgaon | 93,940 |
| 11 | Jharkhand | Bokaro | 1,28,700 |
| 12 | Jharkhand | Chatra | 26,620 |
| 13 | Jharkhand | Godda | 48,840 |
| 14 | Jharkhand | Khunti | 4,180 |
| 15 | Jharkhand | Latehar | 1,96,020 |

## Annexure VII to the Directors' Report (contd.)

| S. No. | State | Aspirational District | Amount spent (In INR) |
|---|---|---|---|
| 16 | Jharkhand | Lohardaga | 20,020 |
| 17 | Jharkhand | Pakur | 220 |
| 18 | Jharkhand | Palamu | 4,25,700 |
| 19 | Jharkhand | Purbi Singhbhum | 1,73,800 |
| 20 | Karnataka | Raichur | 24,640 |
| 21 | Maharashtra | Osmanabad | 10,560 |
| 22 | Maharashtra | Washim | 48,400 |
| 23 | Odisha | Dhenkanal | 3,520 |
| 24 | Odisha | Kalahandi | 16,280 |
| 25 | Odisha | Rayagada | 3,520 |
| 26 | Uttar Pradesh | Balrampur | 4,840 |

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No) No as the Company does not have information on marginalized vulnerable groups.

   (b) From which marginalized /vulnerable groups do you procure? The Company does not have information on marginalized/ vulnerable groups.

   (c) What percentage of total procurement (by value) does it constitute? Not Available

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge: Not Applicable

| S. No. | Intellectual Property based on traditional knowledge | Owned/ Acquired (Yes/No) | Benefit shared (Yes / No) | Basis of calculating benefit share |
|---|---|---|---|---|
| – | – | – | – | – |

5. Details of corrective actions taken or underway based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved. Not Applicable

| Name of authority | Brief of the Case | Corrective action taken |
|---|---|---|
| – | – | – |

6. Details of beneficiaries of CSR Projects:

| S. No. | CSR Project | No. of persons benefitted from CSR Projects | % of beneficiaries from vulnerable and marginalized groups |
|---|---|---|---|
| 1 | iTrain | 1,24,158 across all locations | Not Applicable as the Company does not have information on marginalised/vulnerable groups |

**PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner**

**Essential Indicators**

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

   The Company has established an adequate grievance redressal mechanism for the consumers which addresses customer concerns, feedbacks and complaints. The Company maintains a specific section in its website, a dedicated email id and dedicated phone numbers including a toll-free number where the customers can post their queries, grievances, suggestions, feedback for the products and/or services of the Company. Wherever required, the Company escalates the complaints to the level of business heads, regional heads/ functional heads and other concerned officials.

**Receiving Grievances**

Berger Paints has created multiple means through which affected parties can bring their grievances to the attention of the company.

- Email: **consumerfeedback@bergerindia.com**
- Post: To registered office at Berger House, 129 Park Street, Kolkata 700017
- Phone: Call Centre with multi-lingual language support at 1800 103 6030 OR phone numbers of Berger's registered office, +91 33 2229 9724/2229 6005/06/1
- Fax: Over facsimile +91 33 2249 9009/9729
- Website: **https://www.bergerpaints.com/investors/services**
- Social Media: Facebook, Twitter, Instagram, Pinterest, YouTube.
- ORM Tool: The Simplify360 tool is used by the company for online listening and capturing the digital voice of various stakeholders across platforms. This allows Berger Paints the ability to identify and reach out to parties who have problems that need solving.
- Offline: Complaints can be registered with any of the company's sales offices across the country. The contact details of these offices are available on the company's website as well in the annual report and on its trade pricelists.

Information regarding the various means of reaching Berger are adequately publicized through various physical and digital means. All product packaging, promotion material, printed matter, digital resources of the company carry details of the manner in which stakeholders can escalate their grievances to the company.

**Registering Grievances**

All complaints and grievances are registered and archived digitally on Microsoft Dynamics CRM or SharePoint depending on the nature of the complaint, with a unique Service Request number and date.

The **consumerfeedback@bergerindia.com** email address is used to transmit and escalate complaints to the personnel in various functions and divisions tasked with assessing and resolving them.

The Customer Grievance Officer monitors all grievances till they are closed.

**Assess and Resolve Grievances**

**Product Complaints** - Any product complaint received by Berger Paints whether online or offline is attended to and investigated by technically competent personnel from the concerned business division. These are also logged into a SharePoint portal and details are shared with the concerned product, production and R&D team members for information and further investigation.

**Service Complaints** - A Complaint regarding service failure at any worksite are attended to and investigated by personnel from the concerned business division.

**Shareholder Issues or Complaints** - These are attended to by the secretarial and legal department in a time-bound manner.

**Dealer/Distributor Complaints** - These are attended to by the sales team members and are tracked till closure by the national head of sales.

**Service Provider (Interior Designers, Painters, Architects etc.) Complaints** - These are attended to by exclusive field teams who are deployed to service these stakeholders

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

| | As a percentage to total turnover |
|---|---|
| Environmental and social parameters relevant to the product | 80% |
| Safe and responsible usage | 100% |
| Recycling and/or safe disposal | NIL |

## Annexure VII to the Directors' Report (contd.)

3. Number of consumer complaints in respect of the following:

| | FY 23-24 Current Financial Year | | Remarks | FY 22-23 Previous Financial Year | | Remarks |
|---|---|---|---|---|---|---|
| | Received during the year | Pending resolution at end of year | | Received during the year | Pending resolution at end of year | |
| Data privacy | Nil | Nil | - | Nil | Nil | - |
| Advertising | Nil | Nil | - | Nil | Nil | - |
| Cyber-security | Nil | Nil | - | Nil | Nil | - |
| Delivery of essential services | Nil | Nil | - | Nil | Nil | - |
| Restrictive Trade Practices | Nil | Nil | - | Nil | Nil | - |
| Unfair Trade Practices | Nil | Nil | - | Nil | Nil | - |
| Other | Nil | Nil | - | Nil | Nil | - |

4. Details of instances of product recalls on account of safety issues:

| | Number | Reason for recalls |
|---|---|---|
| Voluntary recalls | Nil | Nil |
| Forced recalls | Nil | Nil |

This is a decorative product sold on retail basis and traditionally there is a no practice of recall in such product distribution.

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy. Yes

   Web-link of the Cyber Security Policy - **https://www.bergerpaints.com/about-us/policies/cyber-security-policy**

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.

   As regards complaints against delivery of essential services the Company evaluates the complaints and wherever necessary resolves the same. As no one has complained on issues relating to advertising; cyber security and data privacy of customers; re-occurrence of instances of product recalls, there is no corrective action necessary.

7. Provide the following information relating to data breaches:

   a. Number of instances of data breaches: Nil
   b. Percentage of data breaches involving personally identifiable information of customers: Nil
   c. Impact, if any, of the data breaches: NA

**Leadership Indicators**

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available). **https://www.bergerpaints.com/**

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

   Dealers meet; Customer Complaint Resolution meets on quarterly or yearly basis to discuss about safe and responsible usage of products and/or services.

   Usage instructions of the company's decorative products are available online on **www.bergerpaints.com**. The Product Data Sheet (PDS) & Material Safety Data Sheet (MSDS) for each product is also provided for the customer to access.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

   The Company interacts with dealers on regular basis and all changes/proposed changes in operations are communicated in a proactive basis.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

   Yes, a customer survey of Express Painting customers is carried out on completion of the job and customers rate the quality of the service experience, products, contractors and workmanship.

# Annexure VII.I to the Directors' Report

## Reasonable Assurance Report of Business Responsibility and Sustainability Report – Core Indicators vide SEBI Circular No. SEBI/HO/CFD- SEC-2/P/CCIR/2023/122 dated July 12, 2023

### Assurance Statement

**To The Management and Board of Directors**
**Berger Paints India Limited**

Futurestation Advisors LLP (also referred as "Futurestation" or "we" or "us") was engaged by Berger Paints India Limited (also referred as "BPIL") to conduct a reasonable assurance procedure on the BRSR Core attributes FY 2023-24 as reported by BPIL for the period stated below. This Assurance Statement applies to the procedure conducted by us as per the engagement agreement dated 22nd September 2023 signed between BPIL and Futurestation. The determination of the BRSR Core attributes is the sole responsibility of BPIL. Futurestation's responsibility was to conduct reasonable assurance procedure based on applicable standards as per the engagement agreement referred above.

**Reporting Period**

1st of April 2023 to 31st of March 2024.

**Level of Assurance**

Reasonable Assurance. A reasonable assurance procedure involves assessing the risk of material mis-statement of the agreed attributes whether due to fraud or error, responding to the assessed risk as necessary under the circumstances. We conducted our reasonable assurance procedure in accordance with International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board. These standards require that we plan and perform this engagement to obtain reasonable assurance about whether the reported BRSR Core attributes are prepared, in all material respects, in accordance with the reporting criteria.

The procedures we performed were based on our professional judgement and included inquiries, observation of processes performed, inspection of data recording procedures on sample basis particularly for operational attributes (like energy, water and waste), inspection of data collating and recording procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above, we:

- Made BPIL's management and process owners aware of the procedures to be performed by us.
- Understood and evaluated the design of the key structures, systems, processes and controls for managing, recording and reporting on the identified attributes.
- Checked consolidation for various plants and corporate offices for ensuring the completeness of data being reported
- Based on that understanding and the risks that the reported data may be materially misstated, determined the nature, timing and extent of further procedures
- Performed substantive testing on a selective basis of the identified attributes at the corporate head office in Kolkata, office in New Delhi, and visited sample representative plants to check that data had been appropriately measured, recorded, collated and reported;
- Reviewed records and performed testing including recalculation of sample data to establish an assurance trail
- Reviewed the level of adherence to the reporting criteria and the reporting framework followed by BPIL in preparing the BRSR Core data
- Reviewed the level of risk involved in material incorrectness in recording, collating and reporting of the data

**BRSR Core Attributes**

The BRSR Core attributes are mentioned in page 3 of this statement.

**Observations**

Our observations after conducting the reasonable assurance procedure are:

1. The data on GHG, Energy, Water, Waste and Safety include only those pertaining to the plants at Howrah, Pondicherry, Goa, Rishra, Jammu, Jejuri, Hindupur (2 plants), Naltali, Taloja, Sandila, Sikandrabad, Samba and Nalbari.
2. The Organisational Boundary considered in computation of Scope 1 and Scope 2 GHG emissions is limited to the plants mentioned above. Equity share, Financial or Operational control criteria of GHG Protocol have not been used to set the boundary.
3. The data recording, collation and reporting process for energy, water and waste is fair. However, there is scope to improve its robustness to reduce risk of misstatement.
4. The waste segregation, measurement and storage facilities have scope of improvement

**Inherent Limitations**

The absence of a significant body of established practice on which to draw to evaluate and measure non financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities. In addition, GHG quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emission factors and availability of updated credible values.

**Assurance Opinion:**

Based on the procedures we have performed and the evidence we have obtained, the BRSR Core attributes for the financial year ended 31 March 2024 are prepared in all material respects.

**Statement of independence, impartiality and competence**

Futurestation Advisors LLP is an independent professional services company that specializes in sustainability advisory and assurance services. No member of the reasonable assurance procedure performing team has a business relationship with BPIL, its directors or managers beyond that required of this assignment. We conducted this procedure independently and to our knowledge there has been no conflict of interest. The team has extensive experience in conducting assurance over environmental, social, ethical, governance, health and safety information, systems and processes, has over 30 years combined experience in this field and an excellent understanding of the subject matter.

**SUDIPTA DAS**
Partner
**Futurestation Advisors LLP**
15th May, 2024

*This assurance statement, including the opinion expressed herein, is provided to Berger Paints India Limited and is solely for the benefit of Berger Paints India Limited in accordance with the terms of our agreement. We consent to the release of this statement by you in order to satisfy the requirements of SEBI but without accepting or assuming any responsibility or liability on our part to SEBI or to any other party who may have access to this statement.*

# Annexure VII.I to the Directors' Report (contd.)

## BRSR Core FY 2023-24

| Sr. No. | Attribute | Parameter | Measurement | Data |
|---|---|---|---|---|
| 1 | Green-house gas (GHG) footprint | Total Scope 1 emissions | tCO2e | 9666 |
| | | Total Scope 2 emissions | tCO2e | 29604 |
| | | GHG Emission Intensity (Scope 1 +2) | Total Scope 1 and Scope 2 emissions tCO2e/Total Revenue from Operations adjusted for PPP (tCO2e/Mln INR) | 8.79 |
| | | | Total Scope 1 and Scope 2 emissions tCO2e/KL of Product | 0.053 |
| 2 | Water footprint | Total water consumption | KL | 414424 |
| | | Water consumption intensity | KL/Mln INR adjusted for PPP | 92.8 |
| | | | KL/KL of Product | 0.56 |
| | | Water Discharge by destination and levels of Treatment | KL/Secondary level treatment in ETP / Release to surface water outside | 8942 |
| | | | KL/Secondary level treatment in ETP / Release to CETP outside | 3020 |
| | | | KL/Secondary level treatment in ETP / Release to garden inside | 49149 |
| 3 | Energy footprint | Total energy consumed | Mega Joules | 406726451 |
| | | Total energy consumed % of energy consumed from renewable sources | In % terms | 47 |
| | | Energy intensity | Mega Joules per Mln INR/adjusted for PPP | 91080 |
| | | | Mega Joules/KL of Product | 552.95 |
| 4 | Embracing circularity - details related to waste management by the entity | Plastic waste (A) | MT | 1216 |
| | | E-waste (B) | MT | 7 |
| | | Bio-medical waste (C) | MT | 0 |
| | | Construction and demolition waste (D) | MT | 0 |
| | | Battery waste (E) | MT | 60 |
| | | Radioactive waste (F) | MT | 0 |
| | | Other Hazardous waste. (G) | MT | 3709 |
| | | Other Non-hazardous waste generated (H). | MT | 3339 |
| | | Total waste generated ((A+B + C + D + E + F + G + H) | MT | 8331 |
| | | Waste intensity | MT/Mln INR adjusted for PPP | 1.87 |
| | | | MT/KL of Product | 0.01 |
| | | Each category of waste generated, total waste recovered through recycling, re-using or other recovery operations | MT | 1889 |
| | | | Intensity % | 23 |
| | | For each category of waste generated, total waste disposed by nature of disposal | MT | 6442 |
| | | | Intensity % | 77 |
| 5 | Enhancing Employee Wellbeing and Safety | Spending on measures towards well- being of employees and workers – cost incurred as a % of total revenue of the company | In % terms | 0.08 |
| | | Details of safety related incidents for employees and workers (including contract-workforce | Number of Permanent Disabilities | 0 |
| | | | Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) | 0 |
| | | | No. of fatalities | 0 |

## BRSR Core FY 2023-24 (contd.)

| Sr. No. | Attribute | Parameter | Measurement | Data |
|---|---|---|---|---|
| 6 | Enabling Gender Diversity in Business | Gross wages paid to females as %of wages paid | In % terms | 0.22 |
| | | Complaints on POSH | • Total Complaints on Sexual Harassment (POSH) reported | 1 |
| | | | • Complaints on POSH as a % of female employees/ workers | 0.25 |
| | | | • Complaints on POSH upheld | 1 |
| 7 | Enabling Inclusive Development | Input material sourced from following sources as % of total purchases – Directly sourced from MSMEs/ small producers and from within India | In % terms – As % of total purchases by value | 11 |
| | | Job creation in smaller towns – Wages paid to persons employed in smaller towns (permanent or non- permanent / on contract) as % of total wage cost | In % terms – As % of total wage cost | 23.59 |
| 8 | Fairness in Engaging with Customers and Suppliers | Instances involving loss / breach of data of customers as a percentage of total data breaches or cyber security events | In % terms | 0 |
| | | Number of days of accounts payable | (Accounts payable *365)/Cost of goods/services procured | 97 |
| 9 | Open-ness of business | Concentration of purchases & sales done with trading houses, dealers, and related parties Loans and advances & investments with related parties | • Purchases from trading houses as % of total purchases | 22 |
| | | | • Number of trading houses where purchases are made from | 327 |
| | | | • Purchases from top 10 trading houses as % of total purchases from trading houses | 48.8 |
| | | | • Sales to dealers/distributors as % of total sales | 84.89 |
| | | | • Number of dealers/distributors to whom sales are made | 41,379 |
| | | | • Sales to top 10 dealers/distributors as % of total sales to dealers/distributors | 2.4 |
| | | | Share of RPTs (as respective %age) in - | |
| | | | • Purchases | 4 |
| | | | • Sales | 1 |
| | | | • Loans & advances | 100 |
| | | | • Investments | 94 |

# Annexure VIII to the Directors' Report

for the Financial year ended 31st March, 2024

## Corporate Governance

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

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

### Company's Philosophy

Berger Paints India Limited believes that credibility vests in good Corporate Governance procedures which help maintain professional, transparent, ethical and perpetual business. It encourages all its stakeholders' co-operation and such co-operation is enhanced as the Company adheres to the best governance practices.

### Board of Directors

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

The Board comprises 11 Directors of which, 3 are Executive Directors (2 of whom are part of the promoter group), 2 are Non-Executive (both are part of the promoter group) and 6* are Non-Executive, Independent Directors as per the details given in the table provided in the next page. The composition of the Board is in conformity with Regulation 17 of the Listing Regulations read with Section 149 of the Companies Act, 2013 ("the Act").

The Chairman of the Board is a Non-Executive, Promoter Director and is not related to the Managing Director & the Chief Executive Officer in accordance with the definition of the term "relative" defined under the Companies Act, 2013. He is entitled to maintain an office in accordance with Regulation 27(1) read with Schedule-II (Part E) of the Listing Regulations. The Company reimburses the expenses incurred by the Chairman in the course of performance of his duties.

*Please refer Notes.

**The names and categories of the Directors on the Board at the close of business hours on 31st March, 2024, their attendance at the Board meetings held during the year under review and at the last Annual General Meeting (AGM), names of other listed entities in which the Director is a director and the number of Directorships and Committee Chairmanships/Memberships held by them in other public limited companies are given herein below:**

| Name of the Director | Category of Director | Attendance at Meetings | | Directorship in other Companies* | Directorship/ Committee Memberships in other Companies (including Berger Paints India Limited) ### | Directorship in other Listed entities (Names of the listed entities and the category of directorship) |
|---|---|---|---|---|---|---|
| | | No. of Board Meetings attended | Attendance at last AGM# | | | |
| Mr Kuldip Singh Dhingra** (DIN-00048406) | Non-Executive, Chairman/ Promoter (Non-Independent) | 5 | P | 12 | – | Relaxo Footwears Limited (Non-Executive – Independent Director) |
| Mr Gurbachan Singh Dhingra** (DIN-00048465) | Non- Executive Vice Chairman/ Promoter (Non-Independent) | 5 | P | 9 | 2 (Chairman of 1) | – |
| Mr Abhijit Roy (DIN-03439064) | Managing Director & CEO (Non-Independent) | 5 | P | 6 | 1 | – |
| Ms Rishma Kaur* ** (DIN-00043154) | Executive Director (Non-Independent, Woman Director) | 5 | P | 16 | – | – |
| Mr Kanwardip Singh Dhingra*** (DIN-02696670) | Executive Director (Non-Independent Director) | 5 | P | 6 | – | – |
| Mr Naresh Gujral (DIN (00028444) | Non-Executive (Independent Director) | 4 | P | 13 | 1 | – |
| Mr Pulak Chandan Prasad + (DIN-00003557) | Non-Executive (Independent Director) | 5 | P | 4 | 1 | 1. Vaibhav Global Limited (Non-Executive – Non-Independent Director)<br>2. Triveni Turbine Limited (Non-Executive – Non-Independent Director)<br>3. The Supreme Industries Limited (Non-Executive – Non-Independent Director) |
| Mr Anoop Hoon (DIN-00686289) | Non Executive (Independent Director) | 4 | P | 1 | 1 | – |
| Mrs Sonu Halan Bhasin (DIN-02872234) | Non-Executive (Independent, Woman Director) | 4 | P | 8 | 9 (Chairperson of 2) | 1. Whirlpool of India Limited (Non-Executive – Independent Director)<br>2. Sutlej Textiles and Industries Limited (Non-Executive – Independent Director)<br>3. Indus Towers Limited (Non-Executive – Independent Director)<br>4. Multi Commodity Exchange of India Limited (Non-Executive – Independent Director)<br>5. NIIT Limited (Non-Executive – Independent Director) |
| Dr Anoop Kumar Mittal (DIN-05177010) | Non-Executive (Independent Director) | 5 | P | 8 | 5 | Welspun Enterprises Limited (Non- Executive – Independent Director) |
| Mr Gopal Krishna Pillai (DIN – 02340756) | Non-Executive (Independent Director) | 3 | P | 4 | 5 (Chairman of 1) | Adani Ports and Special Economic Zone Limited (Non- Executive – Independent Director) |
| Mr Subir Bose ## (DIN – 00048451) | Non-Executive (Independent Director) | - | - | 2 | 1 | La Opala R G Limited (Non- Executive – Independent Director) |

# P denotes present in the meeting and A denotes absent in the meeting.
Please refer Notes below.

**Notes:**

- * Also includes directorships in private companies but does not include body corporates incorporated outside India. Further, none of them is a member of more than ten committees or chairman/chairperson of more than five committees across all the public companies in which he/she is a Director.
- + Mr Pulak Chandan Prasad (DIN: 00003557) ceased to be Non-Executive, Independent Director on the Board of Directors of the Company upon completion of his term with effect from April 01, 2024.
- ## Mr Subir Bose (DIN: 00048451) has been appointed as an Additional Director of the Company with effect from 15th May, 2024 to hold office as a Non-Executive, Independent Director of the Company for a term of 5 (five) consecutive years, subject to approval of the Members of the Company at the ensuing AGM.
- ### For the purpose of determination of limit of the Board Committees, chairmanship and membership of the Audit Committee and Stakeholders' Relationship and Investor Grievance Committee have been considered as per Regulation 26(1)(b) of the Listing Regulations.
- ** Mr Kuldip Singh Dhingra and Mr Gurbachan Singh Dhingra are brothers.
- *** Ms Rishma Kaur is the daughter of Mr Kuldip Singh Dhingra and Mr Kanwardip Singh Dhingra is the son of Mr Gurbachan Singh Dhingra. Other directors are not related inter-se except the above.
- The status of independence is as per the requirement of the provisions of the Act as well as the Listing Regulations.

# Annexure VIII to the Directors' Report (contd.)

## Key Board Skills, Expertise and Competence

A chart or a matrix setting out the core skills/expertise/competence identified by the Board of Directors as required in the context of business and sector for it to function effectively and those actually available with the Board along with the names of Directors who have such skills/expertise/competence:

| Name of Directors | Qualification | Skills/Expertise/Competence possessed, required for the business and actually available |
|---|---|---|
| Mr Kuldip Singh Dhingra (Chairman) | Science Graduate, Hindu College, Delhi University | Mr Kuldip Singh Dhingra is a promoter, an industrialist with long standing experience in the paint and related industries. His rich experience and expertise is helpful for the organic and inorganic growth of the business. |
| Mr Gurbachan Singh Dhingra (Vice Chairman) | Graduate, Punjab University | Mr Gurbachan Singh Dhingra is a promoter, an industrialist and has a considerable experience in paint industry, especially in its technical aspects. His expertise is helpful for the business growth, its manufacturing and technical aspects. |
| Mr Abhijit Roy (Managing Director and Chief Executive Officer) | B.E. (Mechanical), Jadavpur University & Post Graduate Diploma in Management from IIM, Bangalore | Vast experience of accomplishing sales, understanding of market and consumers, contemporary marketing strategy, branding strategies and business promotion. He possesses leadership experience in handling financial management and strategic planning with a vision of the future. He has been honored with the Distinguished Alumni Award 2023 by the prestigious IIM Bangalore. |
| Ms Rishma Kaur (Executive Director) | B.Sc. (Hons) in Business Studies, University of Buckingham, U.K. Studied German language, University of Augsberg, Bavaria, Germany | Has got experience and knowledge in paint industry. She has been involved in development of business including those relating to large projects in decorative paints, development of marketing initiatives and corporate affairs. |
| Mr Kanwardip Singh Dhingra (Executive Director) | Bachelor's degree in Chemical Engineering from University of Akron, Ohio, USA with specialization in Polymer Engineering and minor in Chemistry | Has got experience in Manufacturing and Process Engineering and accordingly contributes to setting up of various projects of the Company, its subsidiaries and associates, looking into its manufacturing and technical matters. |
| Mr Naresh Gujral (Non-Executive, Independent Director) | Fellow Member of the Institute of Chartered Accountants of India | An eminent industrialist and a social activist. He is the founder of Span India Group and is on the Board of a number of reputed companies. Expert in the field of management and decision-making including policy related matters. |
| Mr Pulak Chandan Prasad * (Non-Executive, Independent Director) (Cessation from directorship on completion of his tenure with effect from April 01, 2024) | B.Tech., IIT, Delhi, Post Graduate Diploma in Management from IIM, Ahmedabad | He is an expert in the field of management and finance, which is the key to decision making and framing of long term strategies. He has an understanding of complex business and regulatory environment, decision making capabilities and developing sound governance practices. |
| Mr Anoop Hoon (Non-Executive, Independent Director) | B.A. in Economics and Post Graduate in IR & PM from XLRI, Jamshedpur | Has experience in marketing, sales, organizational development, HR, supply chain and commercial functions. He also served as a Business Head of various leading Corporates where he was associated. |
| Mrs Sonu Halan Bhasin (Non-Executive, Independent Director) | B.Sc. (Hons) in Mathematics, St Stephen's College, Delhi University and MBA: Faculty of Management Studies (FMS), Delhi University | Wide range of experience in handling financial management and developing management strategies. Expert in policy making, strategic planning and also authored a book on Entrepreneurship and success. |
| Dr Anoop Kumar Mittal (Non-Executive, Independent Director) | B.E. in Civil Engineering, from Thapar Institute of Engineering & Technology, Punjab University, Patiala. He was conferred "Doctor of Philosophy" (Honoris Causa) - Chancellor, Singhania University | Wide range of expertise and experience in the sector of construction, infrastructure, real estate, advisory function, policy making and management. A renowned civil engineer, has helped develop various flagship schemes and has been a part of advisory and policy making in different government sectors. |
| Mr Gopal Krishna Pillai (Non-Executive, Independent Director) | B.Sc. from St. Joseph's College, Bangalore, M.Sc. from IIT, Madras and IAS (Retd.) | An Administrator who has worked in various senior positions in the Central and State Governments and brings new strategies for growth and guides the management with his rich experience & managerial capabilities. |
| Mr Subir Bose** (Non- Executive, Independent Director) | B. Tech. in Chemical Engineering from IIT, Kanpur and post graduate degree in Business Administration from IIM, Ahmedabad | He has vast experience and expertise in the field of management and his acumen in the paints & coatings industry is well known. By virtue of working with various corporates in India & abroad, his insights and overall understanding of the paints & coatings business will benefit the Company in its future endeavors. He was the Managing Director of the Company till June 2012. |

**Notes:**

- * Mr Pulak Chandan Prasad (DIN: 00003557) ceased to be Non-Executive, Independent Director on the Board of Directors of the Company upon completion of his term with effect from April 01, 2024.
- ** Mr Subir Bose (DIN: 00048451) has been appointed as an Additional Director of the Company with effect from 15th May, 2024 to hold office as a Non-Executive, Independent Director of the Company for a term of 5 (five) consecutive years, subject to approval of the Members of the Company at the ensuing AGM.

## Meetings and Attendance

Five Board Meetings were held during the year 2023-2024 and the gap between two consecutive Meetings did not exceed one hundred and twenty days. The Board Meeting dates for a calendar year are usually finalized in the previous calendar year to provide sufficient notice.

Nine resolutions of the Board were passed by circulation during the financial year 2023-2024 and the dates of the Board Meetings were as follows:

| Sr. No. | Date of Meeting | No. of Directors Present |
|---|---|---|
| 1 | 20.04.2023 & 21.04.2023 | 10 |
| 2 | 15.05.2023 | 09 |
| 3 | 09.08.2023 | 11 |
| 4 | 02.11.2023 | 09 |
| 5 | 06.02.2024 | 11 |

**Notes:**

- No sitting fees are paid for attending the Board Meetings and Meetings of the Committees thereof.
- Required quorum was present at all Meetings.
- Compensation paid/payable to Non-Executive Directors is given under "Remuneration Policy" section of this report.
- The Minutes of the subsidiary companies are placed before the Board except in the case of Berger Paints Overseas Limited, Russia, where such Minutes are not required as per the laws of that land.

# Annexure VIII to the Directors' Report (contd.)

## Independent Directors

### I. Meetings

As stipulated by the Code of Independent Directors under the Act and the Listing Regulations, a separate Meeting of the Independent Directors of the Company was held on 6th February, 2024 to review the performance of Non-Independent Directors (including the Chairman) and the Board as a whole. The Independent Directors also reviewed the quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board Members to effectively and reasonably perform their duties.

### II. Familiarisation Programme for Independent Directors

In order to encourage active participation from the Independent Directors and also to enable them to understand the business environment of the Company, a Familiarization Programme for the Independent Directors has been adopted and implemented.

Once appointed, the Independent Directors undergo Familiarization Programme of the Company. Necessary information and supportive documents in respect of paint industry, the regulatory environment under which the Company operates and Annual Reports of past financial years are provided to the Independent Directors. The Independent Directors hold one-on-one discussions with Key Functional Heads of the Company through a secured virtual platform to understand various functions which are critical to the business performance of the Company. The Independent Directors are also provided with financial results, internal audit findings, risk inventories and other specific documents as sought for from time to time. The Independent Directors are also made aware of all policies and Code of Conduct and Business Ethics adopted by the Board.

Details of the Familiarization Program imparted during the year under review has been uploaded on the website of the Company at **https://www.bergerpaints.com/** and is available at **https://www.bergerpaints.com/investors/download**.

### III. Formal Letter of Appointment

In terms of the provisions of Regulation 46(2)(b) of the Listing Regulations and Section 149 of the Act, and Rules framed thereunder, the Independent Directors of the Company were appointed for a period of five years by the Members of the Company at the General Meetings. A formal letter of appointment setting out the terms and conditions of appointment, roles and functions, responsibilities, duties, fees and remuneration, liabilities, resignation/removal, etc., as specified under Schedule IV to the Act, has been issued to each of the Independent Directors subsequent to obtaining approval of the Members to their respective appointments. The terms and conditions of such appointment are also made available on the website of the Company and at **https://www.bergerpaints.com/investors/download**.

**IV.** As required under Regulation 25(8) of the Listing Regulations, the Independent Directors of the Company have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations and confirmations received from the Independent Directors, the Board of Directors confirmed that the Independent Directors of the Company meet the criteria of independence as stipulated under Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Act, and the Rules framed thereunder and they are independent of the management.

Pursuant to Section 150(1) of the Act, read with the Companies (Accounts) Rules, 2014, all the Independent Directors of the Company are registered on the website of Indian Institute of Corporate Affairs (IICA).

In compliance with Regulation 36(3) of the Listing Regulations read with the Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI), the required information about the Directors proposed to be appointed/re-appointed has been annexed to the Notice convening the 100th Annual General Meeting.

Based on the intimations/disclosures received from the Directors, none of the Directors of the Company hold Memberships/ Chairpersonships of Board/Committees, more than the limits prescribed under the Act and the Listing Regulations.

## Committees of Directors

### I. Audit Committee

**The Composition, Meetings and Attendance of the Audit Committee is as under:**

| Sr. No. | Name Of Directors | Category | No. of Meetings Attended |
|---|---|---|---|
| 1 | Mrs Sonu Halan Bhasin | Chairperson | 4 |
| 2 | Mr Gurbachan Singh Dhingra | Member | 5 |
| 3 | Mr Pulak Chandan Prasad* | Member | 5 |
| 4 | Mr Naresh Gujral | Member | 4 |
| 5 | Dr Anoop Kumar Mittal | Member | 5 |
| 6 | Mr Gopal Krishna Pillai ** | Member | - |

Mr Arunito Ganguly acts as the Secretary to the Audit Committee.

**Notes:**

1. The quorum for Independent Directors as required under Regulation 18(2)(b) of the Listing Regulations was complied with during the year.
2. * Mr Pulak Chandan Prasad ceased to be a Non-Executive, Independent director of the Company with effect from April 01, 2024 and consequently ceased to be a member of the Audit Committee.
3. ** Mr Gopal Krishna Pillai was appointed as the member of the Audit Committee with effect from April 01, 2024.
4. Invitees/Participants:
   - Head of the Internal Audit Department attends all the Audit Committee Meetings and briefs the Committee on all the points covered in the Internal Audit Report.
   - The Managing Director & CEO and CFO are permanent invitees to all Audit Committee Meetings. The Committee also invites Members of the Board to attend Meetings of the Committee as per their convenience.
   - The representatives of the Statutory Auditors have attended the Audit Committee Meetings held during the year.

The terms of reference of the Audit Committee covers the matters specified under Regulation 18 of the Listing Regulations read with Section 177 of the Act.

Roles & Responsibilities of the Audit Committee, as specified in Part C of Schedule II of the Listing Regulations, *inter-alia*, includes, the following:

- Overseeing the Financial Reporting process & disclosure of financial statements.
- Ensuring adequacy of the internal control system & reviewing with the management, performance of statutory and internal auditors.
- Recommending appointment/remuneration and terms of appointment of auditors including cost auditors of the listed entity.
- 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.
- Reviewing findings of internal investigations by the internal auditors and report it to Board.
- Discussing the scope of audit with internal auditors.

## Annexure VIII to the Directors' Report (contd.)

- Reviewing and Monitoring the auditor's independence and performance & effectiveness of audit process.
- Reviewing the Company's financial and risk management policies, looking into reasons for substantial defaults, if any, of non-payment to stakeholders.
- Granting omnibus approval for related party transactions proposed to be entered by the Company under Section 177 of the Act.
- Regulation 24(2) which states about the review of financial statements of unlisted subsidiary by audit committee, particularly the investments.
- Reviewing the functioning of whistle blower mechanism.

One resolution by circulation was passed by the Audit Committee and Five Audit Committee Meetings were conducted during the year 2023-2024 as detailed below:

| Sr. No. | Date of Meeting |
|---|---|
| 1 | 20.04.2023 |
| 2 | 15.05.2023 |
| 3 | 09.08.2023 |
| 4 | 02.11.2023 |
| 5 | 06.02.2024 |

### II. Compensation and Nomination and Remuneration Committee

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

(1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to the remuneration of the directors, key managerial personnel and other employees.

(1A) For every appointment of an independent director, the Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

a. use the services of an external agency, if required;

b. consider candidates from a wide range of backgrounds, having due regard to diversity; and

c. consider the time commitments of the candidates.

(2) Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors.

(3) Devising a policy on diversity of Board of Directors.

(4) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.

(5) Whether to extend or continue the term of appointment of the Independent Directors, on the basis of the report of performance evaluation of Independent Directors.

(6) Recommend to the Board, all remuneration, in whatever form, payable to senior management.

**The Composition, Meetings and Attendance of the Remuneration Committee is as under:**

| Sr. No. | Name Of Directors | Category | No. of Meetings Attended |
|---|---|---|---|
| 1 | Mr Anoop Hoon | Chairman | 2 |
| 2 | Mr Kuldip Singh Dhingra | Member | 2 |
| 3 | Mr Pulak Chandan Prasad* | Member | 2 |
| 4 | Dr Anoop Kumar Mittal | Member | 2 |
| 5 | Mr Gopal Krishna Pillai ** | Member | - |

Mr Arunito Ganguly acts as the Secretary to the Remuneration Committee.

**Notes:**

1. *Mr Pulak Chandan Prasad ceased to be a Non-Executive, Independent Director of the Company with effect from April 01, 2024 and consequently ceased to be a member of the Audit Committee.
2. ** Mr Gopal Krishna Pillai was appointed as the member of the Audit Committee with effect from April 01, 2024.

Nine resolutions by circulation of the Remuneration Committee were passed and two Remuneration Committee Meetings were held during the year 2023-2024 as detailed below:

| Sr. No. | Date of Meeting |
|---|---|
| 1 | 15.05.2023 |
| 2. | 06.02.2024 |

### Employee Stock Option Plan

Your Company had earlier re-introduced the ESOP Scheme, aligned with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 in the year 2016 in accordance with the approval of the members granted at the Annual General Meeting held on 3rd August, 2016, to reward eligible employees.

In accordance with the aforesaid scheme of 2016, the Compensation and Nomination and Remuneration Committee has granted 1,24,249 options on 8th November, 2023 to 283 eligible employees including the following Key Managerial Personnel: -

| Sr. No. | Name | No. of options granted |
|---|---|---|
| 1. | Mr Abhijit Roy | 1640 |
| 2. | Mr Kaushik Ghosh | 841 |

The Compensation and Nomination and Remuneration Committee has also allotted during the year 89, 067 equity shares of ₹1 each (face value) to eligible employees (including Key Managerial Personnel) upon exercise of their options earlier granted to them. The allotment of the aforesaid shares were made on 18th December, 2023 (36,858 equity shares), on 31st January, 2024 (25,884 equity shares) and on 18th March, 2024 (26,325 equity shares) respectively.

For further details, please refer to **Annexure II** to this report where detailed information required to be disclosed in terms of the provisions of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 are enclosed.

Please also visit the web link **https://www.bergerpaints.com/investors/download** for disclosures under Regulation 14 of the aforesaid Regulations.

# Annexure VIII to the Directors' Report (contd.)

## Performance Evaluation Criteria for Independent Directors

Your Company understands the requirements of an effective Board Evaluation process and accordingly conducts the Performance Evaluation every year in respect of the following:

i. Board of Directors as a whole.

ii. Committees of the Board of Directors.

iii. Individual Directors including the Chairman of the Board of Directors.

In compliance with the requirements of the provisions of Section 178 of the Act, the Listing Regulations and the Guidance Note on Board Evaluation issued by the SEBI in January 2017, your Company has carried out an online performance evaluation process internally for the Board/Committees of the Board/Individual Directors including the Chairman of the Board of Directors for the financial year ended 31st March, 2024. During the year under review, the Company has complied with all the criteria of evaluation as envisaged in the SEBI Circular on 'Guidance Note on Board Evaluation'.

The key objectives of conducting the Board Evaluation process were to ensure that the Board and various Committees of the Board have appropriate composition of Directors and they have been functioning collectively to achieve common business goals of your Company. Similarly, the key objective of conducting performance evaluation of the Directors through individual assessment and peer assessment was to ascertain if the Directors actively participate in the Board/Committee Meetings and contribute to achieve the common business goals of the Company.

The Directors carry out the aforesaid performance evaluation in a confidential manner and provide their feedback on a rating scale of 1-5. Duly completed formats were sent to the Chairman of the Board and the Chairman/Chairperson of the respective Committees of the Board for their consideration. The performance evaluation feedback of the Chairman was sent to the Chairman of the Remuneration Committee.

This year also, the outcome of such performance evaluation exercise was discussed at a separate Meeting of the Independent Directors held on 6th February, 2024 and was later tabled at the Remuneration Committee Meeting held on 6th February, 2024. The Remuneration Committee forwarded their recommendation based on such performance evaluation process to the Board of Directors and the same was tabled at the Board Meeting held on 6th February, 2024.

After completion of internal evaluation process, the Board of Directors at its Meeting held on 6th February, 2024, also discussed the performance evaluation of the Board, its Committees and individual directors. The performance evaluation of Independent Directors of the Company were done by the entire Board of Directors, excluding the Independent Directors being evaluated and after being satisfied with the outcome, it was noted that the Committees are working effectively.

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

## Remuneration of Directors

In compliance with the requirements of Section 178 of the Companies Act, 2013, rules framed thereunder and pursuant to the provisions of Regulation 19(4) of the Listing Regulations, the Board of Directors of the Company has adopted a Nomination and Remuneration Policy for the Directors, Key Managerial Personnel (KMPs), Senior Management Personnel (SMPs), Functional Heads and other employees of the Company. The Policy provides for criteria and qualifications for appointment of Directors, KMPs and SMPs, remuneration paid/payable to them, Board diversity etc. The said Policy has been uploaded on the website of the Company at **https://www.bergerpaints.com/about-us/policies/remuneration-policy**.

The remuneration of Directors is as under:

### A. Executive Directors

**The details of the remuneration paid/payable to the Executive Directors for the Financial Year 2023-2024 are as follows:**

| Particulars | Mr Abhijit Roy (₹) | Mr Kanwardip Singh Dhingra (₹) | Ms Rishma Kaur (₹) |
|---|---|---|---|
| **Fixed Components:** | | | |
| Consolidated Salary | 4,99,36,626 | 61,36,050 | 61,36,050 |
| Company's Contribution to Provident Fund, Gratuity and Allowances and Estimated | 89,24,907 | 2,77,699 | 3,20,699 |
| Perquisites In Kind | 94,49,224 | 3,59,465 | 3,55,687 |
| **Variable Components:** | | | |
| Severance Fees | – | – | – |
| Commission | 1,34,99,092 | – | – |
| Performance Incentive | – | 4,13,639 | 4,13,639 |
| ESOP Details | 9,45,029 | – | – |
| **Total** | **8,27,54,878*** | **71,86,853** | **72,26,075** |

* Includes the value of ESOPs.

### B. Non-Executive Directors

The Board of Directors upon recommendation of Compensation and Nomination and Remuneration Committee (Remuneration Committee) decides on the remuneration of the Non-Executive Directors in accordance with the provisions of the Articles of Association of the Company subject to the approval of the Members. Such remuneration is also in line with the Remuneration Policy of the Company and in terms of the specific requirements under the Act and the Listing Regulations.

Remuneration by way of sitting fees for attending Board Meetings were paid to the Non-Executive, Independent Directors up to the Board Meeting held on 5th August, 2019. Thereafter, the Board discussed and the Non-Whole time Directors waived their right to receive sitting fees for the future meetings of the Board.

The Non-Executive Directors are also entitled to a Commission on Net Profits not exceeding 1% in aggregate of the Net Profits computed in the manner referred to in Section 198 of the Act and Rules framed thereunder, subject to a maximum of Rupees One Crore every year, distributed among them based on the time devoted, advice rendered and expertise lent to the Company. The same was approved by the Members at the Annual General Meeting held on 4th August, 2017. The annual remuneration payable to a single Non-Executive Director does not exceed fifty percent of the total annual remuneration payable to all Non-Executive Directors during the year under review.

## Annexure VIII to the Directors' Report (contd.)

**The details of the remuneration paid/payable to the Non-Executive Directors for the Financial Year 2023-2024 are as follows:**

| Name of Directors | Commission (₹) | Sitting Fees (₹) | Total (₹) |
|---|---|---|---|
| Mr Kuldip Singh Dhingra | 18,00,000 | – | 18,00,000 |
| Mr Gurbachan Singh Dhingra | 10,00,000 | – | 10,00,000 |
| Mr Naresh Gujral | 7,20,000 | – | 7,20,000 |
| Mr Pulak Chandan Prasad | – | – | – |
| Mr Gopal Krishna Pillai | 7,20,000 | – | 7,20,000 |
| Mr Anoop Hoon | 7,20,000 | – | 7,20,000 |
| Mrs Sonu Halan Bhasin | 7,20,000 | – | 7,20,000 |
| Dr Anoop Kumar Mittal | 7,20,000 | – | 7,20,000 |
| **Total** | **64,00,000** | **–** | **64,00,000** |

**Total number of equity shares of (₹) 1/- each held by Key Managerial Personnel (KMPs) as on 31st March, 2024 is as follows:**

| Name of KMPs | Designation | Number of Equity Shares Held |
|---|---|---|
| Mr Abhijit Roy | Managing Director & CEO | 95,183 |
| Mr Kaushik Ghosh | Chief Financial Officer | 21,132 |
| Mr Arunito Ganguly | Vice President & Company Secretary | Nil |

## III. Shareholders' Committees

### A. Share Transfer Committee

**The Composition, Meetings and Attendance of the Share Transfer Committee is as under:**

| Sr. No. | Name of Directors | Category | Number of Meetings Attended |
|---|---|---|---|
| 1 | Mr Abhijit Roy | Chairman | 12 |
| 2 | Mr Anoop Hoon | Member | 12 |
| 3 | Mr Kaushik Ghosh | Member | 12 |
| 4 | Mr Arunito Ganguly | Member | 12 |

Thirteen resolutions by circulation of the Share Transfer Committee were passed and twelve Share Transfer Committee Meetings were held during the financial year 2023-2024 as detailed below:

| Sr. No. | Date of Meeting |
|---|---|
| 1. | 29.04.2023 |
| 2. | 31.05.2023 |
| 3. | 30.06.2023 |
| 4. | 31.07.2023 |
| 5. | 31.08.2023 |
| 6. | 30.09.2023 |
| 7. | 31.10.2023 |
| 8. | 30.11.2023 |
| 9. | 30.12.2023 |
| 10. | 31.01.2024 |
| 11. | 29.02.2024 |
| 12. | 30.03.2024 |

### B. Stakeholders' Relationship and Investor Grievance Committee

The Composition, Meetings and Attendance of the Stakeholders' Relationship and Investor Grievance Committee is as under:

| Sr. No. | Name of Directors | Category | Number of Meetings Attended |
|---|---|---|---|
| 1 | Mr Gurbachan Singh Dhingra | Chairman | 1 |
| 2 | Mr Abhijit Roy | Member | 1 |
| 3 | Mr Anoop Hoon | Member | 1 |

Mr Arunito Ganguly acts as the Secretary to the Stakeholders' Relationship and Investor Grievance Committee.

The Chairman of the Committee was present at the Annual General Meeting held on 11th August, 2023 to answer the queries of shareholders.

The amended Listing Regulations require the Stakeholders' Relationship and Investor Grievance Committee of the Board to oversee apart from addressing normal grievances of investors, broadly the following w.e.f. 1st April, 2019, being the terms of reference:

(1) Resolving the grievances of the security holders of the listed entities including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, General Meetings etc.

## Annexure VIII to the Directors' Report (contd.)

(2) Review of measures taken for effective exercise of voting rights by shareholders.

(3) Review of adherence to the service standards adopted by the listed entities in respect of various services being rendered by the Registrar & Share Transfer Agent.

(4) Review of the various measures and initiatives taken by the listed entities for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

One Stakeholders' Relationship and Investors Grievance Committee Meeting was held on 29th March, 2024 during the financial year 2023-2024.

SEBI has vide notification no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated 3rd November, 2021 required listed companies to ensure having KYC details of shareholders who hold shares in physical form. The Company has complied with said requirement.

**Shareholders' Complaints Received during the year:**

- No. of Complaints received during the year : 11
- No. of Complaints resolved during the year : 10
- No. of Complaints not resolved to the satisfaction of shareholders : 01
- Pending Complaints as on 31st March, 2024 : 01

During the Financial Year 2023-24, the complaints received were mainly relating to non-receipt of dividend/annual report which were immediately resolved.

### IV. Business Process and Risk Management Committee

The Board of Directors have defined the procedures, practices, roles and responsibilities of the above mentioned Committee and has delegated monitoring and reviewing of the Risk Management Plan and Policy to the Committee and such other functions as it has deemed fit. The terms of reference of the Committee are as follows:

- Framework for identification of internal and external risk, overseeing and monitoring implementation of the Risk Management Policy.
- Validating the process and procedure of Risk Management and Risk Mitigation.
- Periodically reviewing, evaluating the adequacy of Risk Management Systems.
- Keeping the Board of Directors informed about the nature and contents of the discussions in the Risk Management Committee, recommendations and actions to be taken pursuant to the discussions.

**The Composition, Meetings and Attendance of Business Process and Risk Management Committee is as under:**

| Sr. No. | Name of Directors | Category | Number of Meetings Attended |
|---|---|---|---|
| 1 | Mr Gurbachan Singh Dhingra | Chairman | 2 |
| 2 | Mr Abhijit Roy | Member | 2 |
| 3 | Ms Rishma Kaur | Member | 2 |
| 4 | Mr Kanwardip Singh Dhingra | Member | 2 |
| 5 | Mr Anil Bhalla | Member | 2 |
| 6 | Mr Anoop Hoon | Member | 1 |
| 7 | Mr Kaushik Ghosh | Member | 2 |

Mr Arunito Ganguly acts as the Secretary to the Business Process and Risk Management Committee.

Two Business Process and Risk Management Committee meetings were convened during the financial year 2023-2024 and the dates are as follows:

| Sr. No. | Date of Meeting |
|---|---|
| 1 | 07.06.2023 |
| 2 | 28.11.2023 |

### V. Corporate Social Responsibility

Pursuant to the provisions of Section 135, read with Schedule VII of the Act, the Corporate Social Responsibility (CSR) Committee had been formed. The terms of reference of the CSR Committee, *inter-alia*, are as follows:

- Formulating and recommending to the Board, a CSR Policy.
- Recommending the amount of expenditure to be incurred on CSR activities.
- Monitoring CSR Policy.
- The manner of execution of the CSR projects/programmes.

The Ministry of Corporate Affairs has vide notification dated 22nd January 2021 number G.S.R.40(E) advised corporates to realign their CSR activities. The Company had accordingly adopted a new policy pursuant to the recommendation by the CSR Committee and duly adopted by the Board of Directors at its meeting held on 26th May, 2021 and the amended policy can be viewed at **https://www.bergerpaints.com/about-us/policies/corporate-social-responsibility-policy**.

The scope of the CSR activities is contained in the above mentioned link. The role of the CSR Committee is as follows:

- Recommend, formulate and conduct CSR activities approved by the Board of Directors of the Company and ensure compliance of such CSR activities with the provisions of Schedule VII of the Companies Act, 2013.
- Review, allocate, approve and recommend the budget for the CSR expenditures to be undertaken by the Company on an annual basis.
- Monitoring compliance of the CSR Policy and the expenditures incurred on CSR activities.
- The list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act and the Rules made thereunder as amended from time to time.
- In case any of the CSR Activities to be undertaken are anticipated to be long term i.e., an ongoing project being for a term of 3 (three) years excluding the financial year in which it has commenced, then an estimate on implementation schedule or milestones should be submitted by the CSR Committee to the Board of Directors.
- The manner of execution of such projects or programmes as specified above.

The Company shall ensure that its CSR Committee will oversee the implementation of the various CSR activities and projects undertaken by the Company, in compliance with the provisions of Section 135 of the Companies Act, 2013 and the Rules framed thereunder.

## Annexure VIII to the Directors' Report (contd.)

**The Composition, Meetings and Attendance of CSR Committee is as under:**

| Sr. No. | Name of Directors | Category | Number of Meetings Attended |
|---|---|---|---|
| 1 | Mr Kuldip Singh Dhingra | Chairman | 1 |
| 2 | Mr Abhijit Roy | Member | 1 |
| 3 | Ms Rishma Kaur | Member | 1 |
| 4 | Mr Anil Bhalla | Member | - |
| 5 | Mr Kanwardip Singh Dhingra | Member | 1 |
| 6 | Dr Anoop Kumar Mittal | Member | 1 |
| 7 | Mr Kaushik Ghosh | Member | 1 |
| 8 | Mr Arunito Ganguly | Member | 1 |

Mr Arunito Ganguly also acts as the Secretary to the CSR Committee.

Four resolutions by circulation were passed by the CSR Committee and one CSR Committee Meeting was held on 6th February, 2024 during the financial year 2023-2024.

### VI. Committee of Directors for Regular Matters

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

**The Composition, Meetings and Attendance of Committee of Directors for Regular Matters is as under:**

| Sr. No. | Name of Directors | Category | Number of Meetings Attended |
|---|---|---|---|
| 1 | Mr Kuldip Singh Dhingra | Chairman | 25 |
| 2 | Mr Abhijit Roy | Member | 25 |
| 3 | Mr Anoop Hoon | Member | 23 |

Mr Arunito Ganguly acts as the Secretary to the Committee of Directors for Regular Matters.

Twenty-Five Meetings of the above committee were convened during the financial year 2023-2024 and the dates are as follows:

| Sr. No. | Date of Meeting | Sr. No. | Date of Meeting | Sr. No. | Date of Meeting |
|---|---|---|---|---|---|
| 1 | 17.04.2023 | 10 | 31.08.2023 | 19 | 29.12.2023 |
| 2 | 02.05.2023 | 11 | 07.09.2023 | 20 | 09.01.2024 |
| 3 | 17.05.2023 | 12 | 18.09.2023 | 21 | 22.01.2024 |
| 4 | 31.05.2023 | 13 | 30.09.2023 | 22 | 12.02.2024 |
| 5 | 16.06.2023 | 14 | 16.10.2023 | 23 | 26.02.2024 |
| 6 | 30.06.2023 | 15 | 31.10.2023 | 24 | 15.03.2024 |
| 7 | 17.07.2023 | 16 | 16.11.2023 | 25 | 29.03.2024 |
| 8 | 31.07.2023 | 17 | 27.11.2023 | | |
| 9 | 16.08.2023 | 18 | 14.12.2023 | | |

### VII. Environmental, Social and Governance (ESG) Committee

The composition of the Committee was not defined under any law though going by the expectations of the investors the Committee was formed on 20th October 2022. To support the Company's on-going commitment to environmental, health & safety, corporate social responsibility, corporate governance, sustainability and other public policy matters relevant to the Company as a cross-functional senior management committee of the Board. An ESG Committee shall have an overall responsibility for the effective operations of the company's ESG policies and overseeing its implementation.

**The Composition of the Environmental, Social and Governance Committee is as under:**

| Sr. No. | Name of Directors | Category |
|---|---|---|
| 1 | Mr Anoop Hoon | Chairman |
| 2 | Mr Abhijit Roy | Member |
| 3 | Mr Kaushik Ghosh | Member |
| 4 | Mr Aniruddha Sen | Member |
| 5 | Mr Ranjan Banerjee | Member |
| 6 | Mr Rajesh Tiwari | Member |
| 7 | Mr Partha Protim Mondal | Member |
| 8 | Mr Sanjay Bhowmick | Member |
| 9 | Mr Dipankar Nag | Member |
| 10 | Mr Shrirang Pangarkar* | Member |
| 11 | Mr A Chandar** | Member |

Mr Arunito Ganguly acts as the secretary to the ESG Committee.
No meeting was held during the year.

**Note:**

1. *Mr Shrirang Pangarkar resigned from the post of Group Head – Materials of the Company with effect from September 01, 2023 and accordingly ceased to be member of the Committee from that date.
2. **Mr A. Chandar was appointed as the Group Head – Materials of the Company with effect from September 01, 2023 and as a member of the Committee w.e.f. that date.

**General Body Meetings:**

**i. General Meeting**

**a. Annual General Meeting:**

The date, time and location of the Annual General Meetings held during the preceding 3 (three) years and special resolutions passed there at are as follows:

| Financial Year | Date | Time | Venue | Whether Special Resolution Passed |
|---|---|---|---|---|
| 2020-21 | 27.08.2021 | 11:00 a.m. | Video Conferencing | YES |
| 2021-22 | 26.08.2022 | | | |
| 2022-23 | 11.08.2023 | | | |

**b. Extraordinary General Meeting :**

No extraordinary general meeting of the members was held during financial year 2023-24.

## Annexure VIII to the Directors' Report (contd.)

**ii.** Details of special resolution passed through postal ballot, the persons who conducted the postal ballot exercise, details of the voting pattern and procedure of postal ballot:

The Company had sought the approval of the shareholders by way of a Special Resolution through notice of postal ballot dated 9th August, 2023 for Issue of bonus equity shares in the proportion of 1(One) New Equity Share of ₹1/- each for every 5 (Five) existing Equity shares held by the Members of the Company.

The aforesaid special resolution was duly passed and the result of which was announced on 8th September, 2023.

Mr Atul Kumar Labh (Membership No. FCS: 4848 and CP No.: 3238), Practising Company Secretary of M/s A.K. Labh & Co., was appointed as the scrutinizer to scrutinize the postal ballot process by voting through electronic means only (remote e- voting) in a fair and transparent manner. Details of the voting pattern are provided below:

| Resolution passed through postal ballot | Votes in favour of the resolution | | | Votes against the resolution | | | Invalid votes | |
|---|---|---|---|---|---|---|---|---|
| | No. of members voted | No. of valid votes cast (Shares) | Percentage of total number of valid votes cast | No. of members voted | No. of valid votes cast (Shares) | Percentage of total number of valid votes cast | Total number of members whose votes were declared invalid | Total number of invalid votes cast (Shares) |
| Issue of 1 bonus equity share of face value of ₹1 each against 5 equity shares of the face value of ₹1 each | 7986 | 803361605 | 98.63 | 107 | 11124185 | 1.37 | 0 | 0 |

**Procedure for postal ballot**: The postal ballot was carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Rules framed thereunder and read with the General Circular nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020 and subsequent circulars issued in this regard, respectively issued by the Ministry of Corporate Affairs.

The Postal Ballot Notice was sent to the Members whose names appear on the Register of Members / List of Beneficial Owners as received from the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Company had on 9th August, 2023 completed the dispatch of the Postal Ballot Notice. Members whose names appeared on the Register of Members / List of Beneficial owners as on Friday, 4th August, 2023 i.e. the cut-off date, were eligible for the purpose of voting.

The Company had made arrangements for e-voting and availed the services of National Securities Depository Limited (NSDL) to provide the facility to the Members for e-voting. Members whose names appeared on the Register of Members / List of Beneficial Owners as on Friday, 4th August, 2023 i.e., the cut-off date, were considered eligible for the purpose of voting. In view of prevailing MCA Circulars on postal ballot process, the voting on the resolution covered in the Notice took place through e-voting only and no physical ballot was used. The voting period commenced on Thursday, 10th August, 2023 at 9.00 a.m. and ended on Friday, 8th September, 2023 at 5.00 p.m. (inclusive of both the days). The e-voting module was disabled by NSDL at 5.00 p.m. on 8th September, 2023.The Scrutinizer submitted his report to the Company Secretary after completion of e-voting process and the resolution was passed with requisite majority.

iii. **Details of special resolution proposed to be conducted through postal ballot**: There are no special resolutions proposed to be conducted through a postal ballot regarding any of the matters to be discussed at the forthcoming AGM.

### Disclosures

A. As per the amended Listing Regulations, a certificate from a Company Secretary in practice stating that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as the directors of companies by the SEBI Board/Ministry of Corporate Affairs or any such statutory authority is annexed to this Corporate Governance Report (**Annexure–B**).

B. The Board has accepted all the recommendations of the various committees of the SEBI Board which is mandatorily required in the relevant financial year.

C. The Company has not entered into any materially significant related party transaction which would have potential conflict with the interest of the Company at large.

D. The Company has complied with all the applicable requirements of the Listing Regulations.

E. Vigil Mechanism/Whistle Blower Policy has been framed by the Company and no personnel have been denied access to the Audit Committee.

F. The Company has complied with all the mandatory requirements of Regulation 27(2) of the Listing Regulations and the following non-mandatory requirement have been adopted by the Entity:

1. **Non-Executive Chairman's Office:** The Chairman's office is separate from that of the Managing Director & CEO. He is entitled to maintain an office at the Company's expense and the Company reimburses the expenses incurred by the Chairman in the course of performance of his duties.

2. **Separate posts of Chairman and Managing Director & CEO:** The Chairman of the Board is a Non-Executive, Promoter.

G. The weblink where policy for determining 'material' subsidiaries is disclosed and can be viewed at **https://www.bergerpaints.com/about-us/policies/policy-determining-material-subsidiary**

H. The weblink where policy on dealing with related party transactions can be viewed at **https://www.bergerpaints.com/about-us/policies/policy-materiality-related-party-transactions-and-dealing-related-party**

I. The Company has followed all relevant IND AS while preparing its financial statements.

J. No penalties or strictures have been imposed on the Company by any Stock Exchange or SEBI or any Statutory Authority on any matter related to capital markets during the last three financial years.

K. Loans and advances in the nature of loans to firms/companies in which directors are interested –N.A.

L. Material Subsidiaries of the listed entity, including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries –N.A.

M. The total fees (FY 2023-2024) for all services amounting to ₹0.89 Crore was paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor S. R. Batliboi & Co. LLP and all the entities in the network firm/network entity of which the statutory auditor is a part, as under for all the services taken from them:

| Name | Nature of Services | Amount (₹ In Crore) |
|---|---|---|
| Berger Paints India Limited Group | Fees for Audit and Related Services including out of pocket expense | 0.69 |
| | Other Fees paid | 0.20 |
| **Total** | | **0.89** |

N. Disclosure of commodity price risks and commodity hedging activities. See **Annexure – A** attached to this Corporate Governance Report.

O. No fund was raised through preferential allotment or qualified institutional placement as specified under Regulation 32 (7A) of the Listing Regulations.

## Annexure VIII to the Directors' Report (contd.)

P. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

a. Number of Complaints filed during the financial year : One

b. Number of Complaints disposed of during the financial year : One

c. Number of Complaints pending as at the end of the financial year : NIL

Q. There was only one agreement subsisting on the date of notification (i.e., 15th July, 2023) of clause 5A to para A of part A of Schedule III of the Listing Regulations and the salient features of the said agreement is available on the Company's website and can be accessed directly through **https://www.bergerpaints.com/investors/download**.

### Discretionary Requirements under Regulation 27 of the Listing Regulations

A status of compliance with discretionary recommendations of Regulation 27(1) of the Listing Regulations is provided below:

1. **Shareholders' Rights:** The quarterly and half-yearly financial performances along with significant events are published in the newspapers and are also posted on the Company's website.
2. **Modified Opinion in Auditor's Report:** The Company's financial statement for the year ended 31st March 2024 does not contain any modified audit opinion.
3. **Reporting of Internal Auditor:** The Internal Auditor Reports to the Audit Committee.

### Means of Communication

- The quarterly and half-yearly financial results of the Company are published in leading English and vernacular dailies namely Business Standard, Aajkaal. Such results are also uploaded on the Company's website at **https://www.bergerpaints.com/investors/download**
- Any other such important announcement press/news release is published by the Company in leading English and Bengali Dailies and also uploaded on the website.
- Since all the information are published in leading newspapers as well as displayed in the Company's website, hence no individual information to the shareholders are provided.
- Presentations made to Institutional Investors and Analysts are uploaded on the website: **https://www.bergerpaints.com/investors/download**

### Code of Conduct

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

The Code of Conduct has been uploaded on the Company's website at: **https://www.bergerpaints.com/about-us/policies/code-conduct-independent-directors**. The Certificate of Affirmation in respect of compliance has been appended as a part of Corporate Governance Report. The Company has also adopted the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the said policy can be viewed at: **https://www.bergerpaints.com/about-us/policies/code-conduct-policy**.

### Senior Management

In terms of SEBI (LODR), the particulars of Senior Management Personnel of the Company as on 31st March, 2024 are as follows:

| Sl. No. | Name | Function | Designation |
|---|---|---|---|
| 1. | Mr Aniruddha Sen | Legal & Corporate Affairs | Senior Vice President - Legal & Corporate Affairs |
| 2. | Dr Prosanta Kumar Ghosh | Projects | Senior Vice President – Projects |
| 3. | Mr Tapan Kumar Dhar | Research & Development (R&D) | Senior Vice President – R&D |
| 4. | Mr Kilambi Krishna Sai | Retail (Sales & Marketing) | Senior Vice President – Sales & Marketing |
| 5. | Mr Kaushik Ghosh | Finance & Accounts (Corporate Finance) | Chief Financial Officer |
| 6. | Mr Partha Protim Mondal | Information Technology (IT) | Chief Information Officer - IT |
| 7. | Mr Ranjan Banerjee | Human Resources (HR) | Group Head - HR |
| 8. | Mr Rajesh Tiwari | Manufacturing | Vice President - Manufacturing |
| 9. | Mr Sanjay Chowdhury | Protecton (Marketing) | Vice President & Business Head - Protecton |
| 10. | Mr Sudip Dasgupta | Auto GI & Powder Coatings (Marketing) | Vice President & Business Head – Auto GI & Powder Coatings |
| 11. | Mr Sujyoti Mukherjee | Finance & Accounts | Vice President – Finance & Accounts |
| 12. | Mr Arunito Ganguly | Secretarial | Vice President & Company Secretary |
| 13. | Mr A Chandar * | Materials | Head - Materials |

*Mr Shrirang M Pangarkar (Group Head - Materials) had resigned w.e.f. 8th July, 2023 and Mr A Chandar was appointed as Head – Materials w.e.f. 1st September, 2023.

### No. of Shares and Convertible Instruments held by the Non-Executive Directors

The Company does not have any convertible instruments. The number of equity shares held by Non-Executive Directors at the close of business hours on 31st March, 2024 is given below:

| Sr. No. | Name of Non-Executive Directors | Number of Shares held by them |
|---|---|---|
| 1. | Mr Kuldip Singh Dhingra | 66,18,085 |
| 2. | Mr Gurbachan Singh Dhingra | 53,38,665 |
| 3. | Mr Pulak Chandan Prasad | — |
| 4. | Mr Naresh Gujral | 25,680 |
| 5. | Mr Anoop Hoon | — |
| 6. | Mrs Sonu Halan Bhasin | — |
| 7. | Dr Anoop Kumar Mittal | — |
| 8. | Mr Gopal Krishna Pillai | — |
| 9. | Mr Subir Bose* | 26,208 |

*Mr Subir Bose (DIN: 00048451) has been appointed as an Additional Director of the Company with effect from 15th May, 2024 to hold office as a Non-Executive, Independent Director of the Company for a term of 5 (five) consecutive years, subject to approval of the Members of the Company at the ensuing AGM.

On behalf of the
**Board of Directors**

**KULDIP SINGH DHINGRA**
Chairman
(DIN: 00048406)

Place: Kolkata
Dated: 15th May, 2024

## Annexure VIII to the Directors' Report (contd.)

### Declaration under Regulation 34(3) read with Part D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

As provided under Regulation 34(3) read with Part D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), 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, 2024. The said Code of Conduct has also been uploaded by the Company on its website: **https://www.bergerpaints.com/about-us/policies**.

Place: Kolkata
Dated: 15th May, 2024

**ABHIJIT ROY**
Managing Director & Chief Executive Officer
(DIN: 03439064)



## Annexure A — General Shareholders' Information

[Annexure to Corporate Governance Report]

**Annual General Meeting** : **Day and Date** - Monday, 12th August, 2024.

**Time** - 11:00 AM.

**Venue** - To be held through VC/OAVM.

**Financial Year** : The accounting year covers the period from 1st April, 2023 to 31st March, 2024.

**Financial Reporting for the quarters ending on:**

| | | |
|---|---|---|
| 30th June, 2024 (unaudited) | – | By 14th August, 2024 |
| 30th September, 2024 (unaudited) | – | By 14th November, 2024 |
| 31st December, 2024 (unaudited) | – | By 14th February, 2025 |
| 31st March, 2025 (audited) | – | By 30th May, 2025 |

[Note: The above dates are indicative in nature]

**Book Closure Dates** : Book closure commences on 06th August, 2024 and ends on 12th August, 2024, both days inclusive.

**Dividend Payment Date** : Dividend, if declared will be paid on 22nd August, 2024.

**Listing on Stock Exchanges along with the Scrip Codes** : **The shares of the Company are listed on the following Stock Exchanges:**

- **National Stock Exchange (NSE)**
  National Stock Exchange of India Limited
  Exchange Plaza, Plot no. C-1, Block G
  Bandra Kurla Complex, Bandra (E) Mumbai 400 051.
  **Scrip Code: BERGEPAINT**
- **Bombay Stock Exchange (BSE)**
  BSE Limited
  Phiroze Jeejeebhoy Towers
  Dalal Street, Mumbai 400 001.
  **Scrip Code: 509480**
- **Calcutta Stock Exchange (CSE)**
  The Calcutta Stock Exchange Limited
  7, Lyons Range, Kolkata 700 001.
  **Scrip Code: 12529**

**Depositories** : a) **National Securities Depository Limited**
Trade World, A Wing, 4th Floor, Kamala Mills Compound, Lower Parel
Mumbai 400 013.

b) **Central Depository Services (India) Limited**
Marathon Futurex, A-Wing, 25th Floor,
NM Joshi Marg, Lower Parel, Mumbai 400 013.

**ISIN No.** : **INE463A01038**

**Payment of Annual Listing Fees** : Annual Listing Fees for the financial year 2024-25 has been paid by the Company to the Stock Exchanges.

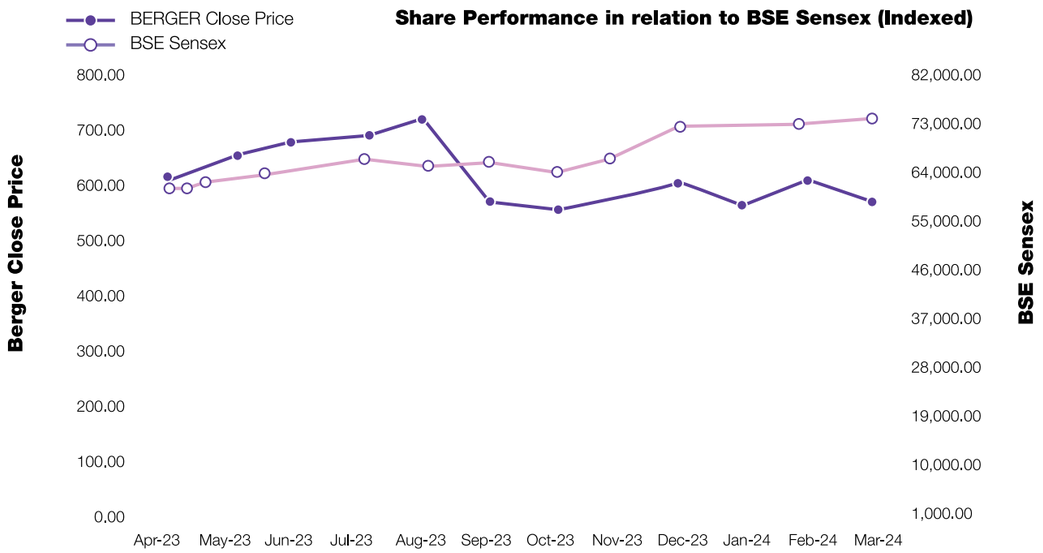
# Annexure VIII to the Directors' Report (contd.)

## General Shareholders' Information

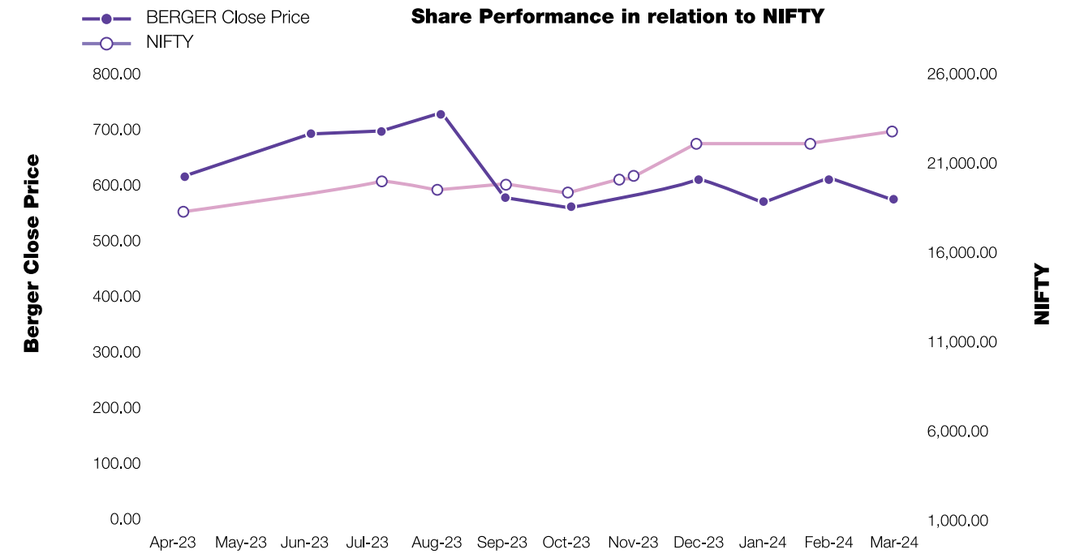
### Market Price (High/Low) at BSE & NSE during each month for the financial year 2023-2024

| Month | BSE | | NSE | |
|---|---|---|---|---|
| | High (₹) | Low (₹) | High (₹) | Low (₹) |
| April 2023 | 612.05 | 568.00 | 612.00 | 567.85 |
| May 2023 | 655.00 | 605.85 | 654.70 | 607.55 |
| June 2023 | 688.25 | 639.50 | 689.00 | 639.25 |
| July 2023 | 695.25 | 654.60 | 695.45 | 654.75 |
| August 2023 | 726.00 | 677.85 | 725.90 | 677.55 |
| September 2023 | 759.15 | 566.75 | 759.00 | 566.25 |
| October 2023 | 587.85 | 530.00 | 585.90 | 533.10 |
| November 2023 | 592.55 | 541.60 | 592.65 | 541.15 |
| December 2023 | 606.90 | 562.80 | 607.00 | 562.70 |
| January 2024 | 609.00 | 542.50 | 609.00 | 542.55 |
| February 2024 | 620.25 | 543.05 | 620.60 | 543.45 |
| March 2024 | 603.30 | 542.40 | 603.80 | 542.25 |

### Share Performance in Relation to BSE Sensex

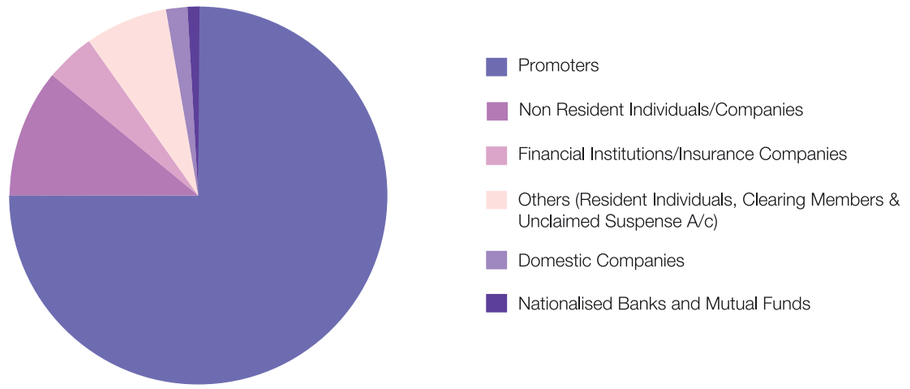



### Share performance in Relation to NSE




**Number of Shareholders as on 31st March, 2024:** 3, 79,998

### Shareholding pattern as on 31st March, 2024



## Annexure VIII to the Directors' Report (contd.)

| Status | Holding | % |
|---|---|---|
| Promoter- Foreign | 16,87,88,138 | 14.48 |
| Promoter- Body corporate | 66,66,59,868 | 57.18 |
| Promoters- Individual | 3,87,81,430 | 3.33 |
| Non-Resident Individuals/Companies | 12,76,25,937 | 10.95 |
| Alternate Investment Fund | 12,58,520 | 0.11 |
| Venture Capital | 0 | 0.00 |
| Financial Institutions/Insurance Companies/Bank | 4,89,15,165 | 4.20 |
| Others (Resident) | 7,55,12,159 | 6.48 |
| Mutual Fund | 1,01,84,467 | 0.87 |
| Domestic Companies | 1,93,96,708 | 1.66 |
| IEPF | 74,82,073 | 0.64 |
| Unclaimed Suspense Demat Account | 11,91,584 | 0.10 |
| **Total** | **1,16,57,96,049** | **100.00** |

**Distribution of Shareholding as at 31st March, 2024**

| Shareholding of Nominal Value (Range of Shares) | | Share Amount | | | | Details |
|---|---|---|---|---|---|---|
| (₹) | | (₹) | % of Total | No. of Shareholders | No. of Shares | % of Total |
| 1 | 5000 | 3,27,06,700 | 2.81 | 3,76,149 | 3,27,06,700 | 98.99 |
| 5001 | 10000 | 1,24,76,650 | 1.07 | 1,745 | 1,24,76,650 | 0.46 |
| 10001 | 20000 | 1,71,12,331 | 1.47 | 1,188 | 1,71,12,331 | 0.31 |
| 20001 | 30000 | 69,30,973 | 0.59 | 287 | 69,30,973 | 0.08 |
| 30001 | 40000 | 58,36,469 | 0.50 | 169 | 58,36,469 | 0.04 |
| 40001 | 50000 | 39,74,803 | 0.34 | 90 | 39,74,803 | 0.02 |
| 50001 | 100000 | 1,06,67,998 | 0.91 | 157 | 1,06,67,998 | 0.04 |
| 100001 | & Above | 1,07,60,90,125 | 92.31 | 213 | 1,07,60,90,125 | 0.06 |
| **Total** | | **1,16,57,96,049** | **100.00** | **3,79,998** | **1,16,57,96,049** | **100.00** |

### Share Transfer System

The Securities and Exchange Board of India ('SEBI') and Ministry of Corporate Affairs ('MCA') during FY 2018-19, has mandated that existing members of the Company who hold securities in physical form and intend to transfer their securities after April 1, 2019, can do so only in dematerialized form, except in case of requests received for transmission or transposition and re-lodged transfer of securities. Therefore, necessary intimation was sent by the Company to the members regarding the restriction on transfer of securities in the physical form and members holding shares in physical form were requested to consider converting their shareholding to dematerialized form within the due date. Further SEBI vide circular no. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/236 dated December 2, 2020 had fixed March 31, 2021 as the cut-off date for re-lodgment of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode.

SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022, mandated all listed companies to issue securities in dematerialized form only while processing the service request of issue of duplicate securities certificate, claim from Unclaimed Suspense Account, renewal/ exchange of securities certificate, endorsement, sub-division/ splitting of securities certificate, consolidation of securities certificates/folios, transmission and transposition.

In compliance with Regulation 40(9) of the Listing Regulations all certificates have been issued within 30 days of the date of transfer, sub-division, consolidation, renewal and exchange of endorsement of calls/ allotment monies as applicable during FY 2023-24.

Now share transactions in electronic form can be effected in a much simpler and faster manner. After a confirmation of a sale/ purchase transaction from the broker, shareholders should approach the Depository Participants ('DP') with a request to debit or credit the account for the transaction. The DP will immediately arrange to complete the transaction by updating the account. There is no need for a separate communication to the Company to register these share transfers.

Shareholders should communicate with the Company's Registrars and Transfer Agents ('RTA') quoting their folio number or Depository Participant ID ('DP ID') and Client ID number, for any queries relating to their securities at the above mentioned addresses or at their branch offices, addresses of which are available on their website or at the Registered Office of the Company.

### Nomination Facility

Shareholders whose shares are in physical form and wish to make/change a nomination in respect of their shares in the Company, as permitted under Section 72 of the Companies Act, 2013, may submit to RTA the prescribed Forms SH-13/SH-14. The relevant forms are available at **https://www.bergerpaints.com/investors/services**.

### Shares held in Electronic Form

Shareholders holding shares in electronic form may please note that instructions regarding change of address, bank details, email ids, nomination and power of attorney should be given directly to the DP.

### Shares held in Physical Form

Shareholders holding shares in physical form may please note that instructions regarding change of address, bank details, e-mails ids, nomination and power of attorney should be given to the Company's RTA.

SEBI vide circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated 16th March, 2023 had laid down common and simplified norms for processing Investor's Service request by RTAs and norms for furnishing PAN, KYC details and nomination. As per the above said circular the shareholders holding physical securities are required to mandatory furnish PAN, KYC details and Nomination by holders and are also required to link PAN with Aadhaar. The said circular stipulates that folios wherein the required documents are not made available on or before April 1, 2023 shall be frozen by RTA. The Company had sent relevant communication to all physical holders along with relevant Forms to enable the shareholders to update the PAN, KYC and other relevant details with RTA/Company in line with the SEBI directives. The PAN, KYC and other relevant documents are being processed by RTA on receipt from the shareholders. The relevant Forms are also made available on the company's website at **https://www.bergerpaints.com/investors/services**.

The total number of shares transferred in physical form during the year 2023-2024 was Nil as compared to Nil shares during 2022-2023. The shares transferred to the Investor Education and Protection Fund (IEPF) Account pursuant to Circular No. 12/2017 of the Ministry of Corporate Affairs, during the year 2023-2024 were 1536008 equity shares (out of which 1231402 were Bonus shares) covering 1830 folios.

### Green Initiative

As a responsible corporate citizen, the Company welcomes and supports the 'Green Initiative' undertaken by the Ministry of Corporate Affairs, Government of India, enabling electronic delivery of documents including the Annual Report, amongst others, to shareholders at their e-mail address previously registered with the DPs and RTAs.

Shareholders who have not registered their e-mail addresses so far, are requested to do the same. Those holding shares in demat form can register their e-mail address with their concerned DPs.

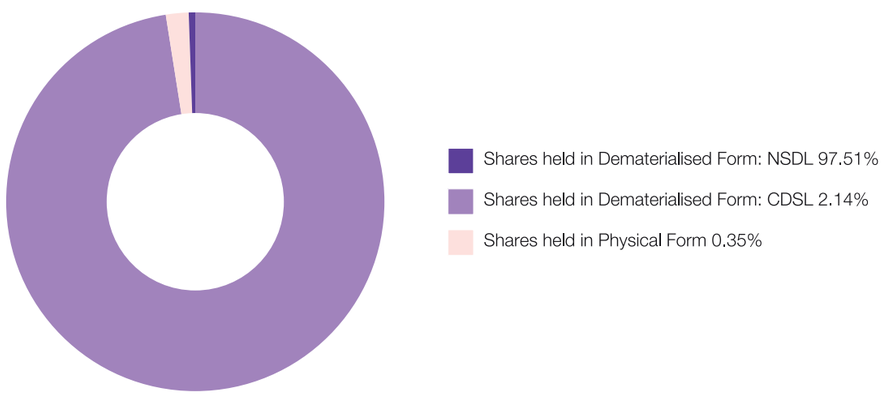
## Annexure VIII to the Directors' Report (contd.)

Shareholders who hold shares in physical form are requested to register their e-mail addresses with the RTA, by sending a letter, duly signed by the first/sole holder quoting details of their Folio No.

### Dematerialisation of Shares and Liquidity as on 31st March, 2024

99.65% of the Company's shares is held in electronic form.

### Shares held in Physical and Dematerialised Mode as on 31st March, 2024




### Outstanding GDRs/ADRs/Warrants or Any Convertible Instruments, Conversion Date and likely impact on Equity:

There are no outstanding GDRs/ADRs/Warrants or convertible instruments.

### Dividend History (Last 10 Years)

| Financial Year | Dividend per Share (₹) |
|---|---|
| 2022-23 | 3.20 |
| 2021-22 | 3.10 |
| 2020-21 | 2.80 |
| 2019-20 (Final) | 0.30 |
| 2019-20 (Interim) | 1.90 |
| 2018-19 | 1.90 |
| 2017-18 | 1.80 |
| 2016-17 | 1.75 |
| 2015-16 (Final) | 1.00 |
| 2015-16 (Interim) | 0.65 |
| 2014-15 (Final) | 0.65 |
| 2014-15 (Interim) | 0.60 |
| 2013-14 | 2.20 |

Effective 9th January, 2015, the equity shares of nominal face value of ₹2/- each were sub-divided into two equity shares of face value of ₹1/-each.



As you are aware that as per the Income Tax Act, 1961 (the Act), as amended by the Finance Act, 2020, dividends paid or distributed by a Company on or after 1st April, 2020 shall be taxable in the hands of the shareholders. The Company shall also be required to deduct tax at source at the time of making the payment of the Dividend, if declared at the AGM.

The TDS rate may vary depending on the residential status of the shareholder and the documents submitted to the Company in accordance with the provisions of the Act. The TDS for various categories of shareholders along with required documents are provided in Tables 1 and 2 below:

### Table 1: Resident Shareholders

| Category of Shareholder | Tax Deduction Rate | Exemption applicability/Documentation requirement |
|---|---|---|
| Any resident shareholder | 10% | Update the PAN if not already done with depositories (in case of shares held in demat mode) and with the Company's Registrar and Transfer Agents – CB Management Services (P) Ltd. (in case of shares held in physical mode).<br>No deduction of taxes in the following cases:<br>o If dividend paid/distributed or likely to be paid/distributed to a Resident Individual shareholder during FY 2024-2025 does not exceed ₹5,000/-,<br>o If shareholder is exempted from TDS provisions through any circular or notification and provides an attested copy of the PAN along with the documentary evidence in relation to the same. |
| Submitting Form 15G/ Form 15H | NIL | • The shareholder's estimated total income as well as dividend payable is below the taxable limit and a declaration is received from the concerned shareholders in Form 15G (for individuals up to the age of 60 years).<br>• The shareholder's estimated total income is below the taxable limit and a declaration is received from the concerned shareholders in Form 15H (for individuals of the age of 60 years or above). |
| Order under Section 197 of the Act | Rate provided in the Order | Lower/NIL withholding tax certificate obtained from Income Tax authorities. |
| Insurance Companies | NIL | A declaration that the shares are owned by it or it has full beneficial interest in such shares along with self-attested copy of PAN and registration document. |
| Corporation established by or under a Central Act which is, under any law for the time being in force, exempts from income- tax on its income. | NIL | Documentary evidence that the person is covered under Section 196 of the Act. |
| Mutual Funds | NIL | Self-declaration that it is covered under Section 10(23D) of the Act along with self-attested copy of PAN card and registration certificate. |
| Category I and Category II Alternative Investment fund | NIL | Documentary evidence that the person is covered by Notification No. 51/2015 dated 25th June, 2015. |
| Other resident shareholder without PAN/Invalid PAN | 20% | — |

**Please note that:**

a) Recording of the valid Permanent Account Number (PAN) for the registered Folio/DP ID-Client ID is mandatory. In absence of valid PAN, tax will be deducted at a higher rate of 20% as per Section 206AA of the Act.

b) Shareholders holding shares under multiple accounts under different status/category and single PAN, may note that, higher of the tax as applicable to the status in which shares held under a PAN will be considered on their entire holding in different accounts.

c) In case of a resident shareholder who is a specified person under Section 206AB of the Act, tax shall be deducted at higher rate of 20%.

d) In case of a resident shareholder whose PAN has been made inoperative due to non-linking of PAN with Aadhar Number, tax shall be deducted at higher rate of 20%.

# Annexure VIII to the Directors' Report (contd.)

## Table 2: Non-resident Shareholders

| Category of shareholder | Tax Deduction Rate | Exemption applicability/Documentation requirement |
|---|---|---|
| Any non-resident shareholder including Foreign Institutional Investors, Foreign Portfolio Investors (FII, FPI) | 20% (plus applicable surcharge and cess) or Tax Treaty rate whichever is lower | Non-resident shareholders may opt for tax rate under Double Taxation Avoidance Agreement ("Tax Treaty"). The Tax Treaty rate shall be applied for tax deduction at source on submission of following documents to the company:<br>o Copy of the PAN Card, if any, allotted by the Indian authorities.<br>o Self-attested copy of Tax Residency Certificate (TRC) valid for the year 2024 obtained from the tax authorities of the country of which the shareholder is resident.<br>o A copy of Form 10F electronically furnished on income tax e-filling portal (for non-resident possessing PAN) or self-declaration in Form 10F (for non-resident who is not required to obtain PAN) in the attached form.<br>o Self-declaration confirming not having a Permanent Establishment in India in accordance with the applicable Tax Treaty read with the Multilateral Instrument (where applicable), eligibility to Tax Treaty benefit and beneficial ownership of shares.<br>TDS shall be deducted at 20% (plus applicable surcharge and cess) if any, if the above mentioned documents are not provided.<br>The Company is not obligated to apply the Tax Treaty rates at the time of tax deduction/withholding on dividend amounts. Application of Tax Treaty rate shall depend upon the completeness of the documents submitted by the Non-resident shareholder and are in accordance with the provisions of the Act. |
| Submitting Order under Section 197 of the Act | Rate provided in the Order | Lower/NIL withholding tax certificate obtained from Income Tax authorities. |

**Please note that:**

a) All the above referred tax rates shall be duly enhanced by the applicable surcharge and cess.

b) In case of a non-resident shareholder who is a specified person under section 206AB of the Act, tax shall be deducted at twice the applicable rate

c) In case of a non-resident shareholder whose PAN has been inoperative due to non-linking of PAN with Aadhar, tax shall be deducted at higher of applicable rate or 20%.

### Commodity Price Risk or Foreign Exchange risk and Hedging activities

In accordance with the materiality criteria of commodities as determined by the Board and available at the Company's website at **https://www.bergerpaints.com/about-us/policies/risk-management-materiality-policy**, no commodity is considered to be material.

The Company's Foreign Exchange exposure with respect to payables and loans are managed by continuously monitoring the exchange rates and premiums for forward cover and such exposure is hedged on a short-term basis when commercially expedient to do so.

**Exposure of the listed entity to commodity and commodity risks faced by the entity throughout the year:**

| Commodity Name | Exposure in INR towards the particular commodity | Exposure in Quantity terms towards the particular commodity | % of such exposure hedged through commodity derivatives | | | | |
|---|---|---|---|---|---|---|---|
| | | | Domestic market | | International market | | Total |
| | | | OTC | Exchange | OTC | Exchange | |
| NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL |

The Company, therefore, does not undertake any commodity hedging activity.



## Plant Locations:-

**HOWRAH**
14 & 15 Swarnamoyee Road
Shibpur, Howrah 711 103
Phone: 7605031301-05

**SIKANDRABAD***
A-38, Industrial Area, Bulandshar Road,
Sikandrabad (UP)-203 205
Phone: 05735-224254

**PUDUCHERRY**
53-56 Pandasozhanallur Village
Nettapakkam Commune
Puducherry - 605 106
Phone: 0413-269 9574/171

**JAMMU 1&2**
SIDCO Industrial Growth Centre,
Sambha, Dist. Jammu
Jammu & Kashmir - 184 121
Phone: 07051893147
(*includes British Paints Division separately)

**GOA**
316-317 Kundaim Industrial Estate
Kundaim, North Goa
Phone: 0832-239 5941/6407

**RISHRA**
103, G.T. Road
Rishra, Hooghly- 712 248
Phone : 75960 50640-43

**HINDUPUR***
Plot No. 32 (part), Gollapuram Industrial Park,
Hindupur - 515 211, Ananthapuram District,
Andhra Pradesh
Phone: 7290030159

**JEJURI**
Plot No. G-35,
Additional Jejuri Industrial Area
Tal - Purandar, Pune - 412 303
Phone: 9607231573-75

**HINDUPUR**
Plot No. 262, Industrial Growth Centre
Thumukunta Village, Hindupur - 515 211
Dist: Anantapur, Andhra Pradesh
Phone: 08556-297245

**TALOJA**
Plot no. J-90, MIDC Taloja, Panvel
Raigad - 410208
Maharastra (India)
Phone: 07596065269

**ASSAM (NALBARI)***
IIDC of AIDC, Nathkuchi - 2,
Near North East Mega Food Park, Tihu,
Nalbari (Assam) - 781 355
Phone: 7578992956

**ASSAM (NALTALI)**
IIDC Centre Project
Bhomoraguri/Naltali Dist:
Nagaon,Assam
Phone: 6913904088

**SANDILA**
Plot No. B4, B5 Industrial Area, Sandila
Phase I, Sandila, District: Hardoi,
Uttar Pradesh – 241 204
Phone: +91748806146
(w.e.f. 06.02.2023)

*** British Paints Division**

## Registrars and Share Transfer Agents and address for correspondence:

M/s C B Management Services (P) Ltd

P-22 Bondel Road, Kolkata 700 019

Phone: 91 33 4011 6700

Fax No.: 91 33 4011 6739

E-mail: (i) subhabrata@cbmsl.co; (ii) ranarc@cbmsl.co

## Compliance Officer

Mr Arunito Ganguly (FCS 9285), Vice President and Company Secretary.

## For any Query relating to your Shareholding, please send your Query at

**1. Berger Paints India Limited**

Berger House, 129, Park Street, Kolkata 700 017

Phone: 91 33 2229 9724/28

Fax No.: 91 33 2227 7288

E-mail: consumerfeedback@bergerindia.com

**2. M/S C B Management Services (P) Ltd.**

At the address and E-mail id mentioned previously.

## Annexure VIII to the Directors' Report (contd.)

### Credit Rating

Credit ratings obtained by the Company during the relevant financial year, for all facilities specified in the table below are as follows:-

| Name of Entity | Instrument | Rating |
|---|---|---|
| CRISIL | Fund Based facilities from Banks | CRISIL AAA /Stable |
| CRISIL | Non Fund Based facilities from Banks | CRISIL A1+ |
| CRISIL | Commercial Paper | CRISIL A1+ |
| CARE | Commercial Paper | CARE A1+ |

There was no revision during the year.

### Disclosures as Per Regulation 34(3) Read with Para F of Schedule V of the SEBI (Listing obligations and disclosure requirements) Regulations, 2015

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

| Sr. No. | Particulars | No. of Shareholders | Outstanding Shares (Face Value of ₹1) |
|---|---|---|---|
| 1. | Aggregate number of Shareholders and the Outstanding Shares in the Suspense Account lying at the beginning of the year | 126 | 3,61,565 |
| 2. | Subsequently Transferred from suspense account to IEPF A/C on 29.04.2023 and 09.11.2023 | (39) | (55,919) |
| 3. | Bonus shares transferred to Suspense Account on 04.10.2023 | 1060 | 9,86,981 |
| | **Total** | **1147** | **12,92,627** |
| 4. | No of Shareholders who approached Issuer for transfer of shares from Suspense Account and shares released on 28.04.2023 | 1 | 504 |
| 5. | No of Shareholders who approached Issuer for transfer of shares from Suspense Account and shares released on 06.06.2023 | 1 | 1,344 |
| 6. | No of Shareholders who approached Issuer for transfer of shares from Suspense Account and shares released on 10.07.2023 | 1 | 840 |
| 7. | No of Shareholders who approached Issuer for transfer of shares from Suspense Account and shares released on 15.08.2023 | 1 | 2,520 |
| 8. | No of Shareholders who approached Issuer for transfer of shares from Suspense Account and shares released on 18.08.2023 | 1 | 1,344 |
| 9. | No of Shareholders who approached Issuer for transfer of shares from Suspense Account and shares released on 06.09.2023 | 2 | 10,080 |
| 10. | No of Shareholders who approached Issuer for transfer of shares from Suspense Account and shares released on 20.09.2023 | 1 | 3,360 |
| 11. | No of Shareholders who approached Issuer for transfer of shares from Suspense Account and shares released on 08.12.2023 | 20 | 40,570 |
| 12. | No of Shareholders who approached Issuer for transfer of shares from Suspense Account and shares released on 28.02.2024 | 21 | 26,259 |
| 13. | No of Shareholders who approached Issuer for transfer of shares from Suspense Account and shares released on 05.03.2024 | 11 | 14,222 |
| | **Total Shares released from Suspense Account during 2023-2024** | **60** | **1,01,043** |
| | Aggregate number of shareholders and the outstanding shares in the Suspense Account lying at the end of the year i.e. 31.03.2024 | 1087 | 11,91,584 |

On behalf of the
**Board of Directors**

**KULDIP SINGH DHINGRA**
Chairman
(DIN: 00048406)

Place: Kolkata
Dated: 15th May, 2024

## Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

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

1. The Corporate Governance Report prepared by Berger Paints India Limited (hereinafter the "Company"), contains details as specified in Regulations 17 to 27, clauses (b) to (i) and (t) of sub–regulation (2) of Regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') for the year ended March 31, 2024 as required by the Company for annual submission to the Stock exchange.

### Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

### Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether, the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations.

5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of procedures performed include:

   i. Read and understood the information prepared by the Company and included in its Corporate Governance Report;

   ii. Obtained and verified that the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the reporting period;

   iii. Obtained and read the Register of Directors as on March 31, 2024 and verified that atleast one independent woman director was on the Board of Directors throughout the year;

   iv. Obtained and read the minutes of the following committee meetings/other meetings held during April 01, 2023 to March 31, 2024:

## Annexure VIII to the Directors' Report (contd.)

(a) Board of Directors;

(b) Audit Committee;

(c) Annual General Meeting (AGM);

(d) Compensation and Nomination and Remuneration Committee;

(e) Stakeholders' Relationship and Investor Grievance Committee;

(f) Business Process and Risk Management Committee

v. Obtained necessary declarations from the Directors of the Company.

vi. Obtained and read the policy adopted by the Company for related party transactions.

vii. Obtained the schedule of related party transactions during the year and balances at the year- end. Obtained and read the minutes of the audit committee meeting where in such related party transactions have been pre-approved by the audit committee.

viii. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

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

**Opinion**

9. Based on the procedures performed by us, as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended March 31, 2024, referred to in paragraph 4 above.

**Other matters and Restriction on Use**

10. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

11. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

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

per **VISHAL SHARMA**
**Partner**
Membership Number: 096766
UDIN: 24096766BKFFRZ1413

Place of Signature: New Delhi
Dated: May 15, 2024



## Annexure B — Certificate of Non-Disqualification of Directors

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

**The Members of**
**Berger Paints India Ltd**
**Berger House,**
**129 Park Street,**
**Kolkata- 700017**
**West Bengal**

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Berger Paints India Limited** having CIN : L51434WB1923PLC004793 and having registered office at Berger House, 129, Park Street, Kolkata – 700017, West Bengal (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number-DIN status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

| Sr. No. | Name of Director | DIN | Date of appointment in Company |
|---|---|---|---|
| 1. | Mr Pulak Chandan Prasad | 00003557 | 13.11.2009 |
| 2. | Mr Naresh Gujral | 00028444 | 20.08.2014 |
| 3. | Ms Rishma Kaur | 00043154 | 14.04.2011 |
| 4. | Mr Kuldip Singh Dhingra | 00048406 | 17.07.1991 |
| 5. | Mr Gurbachan Singh Dhingra | 00048465 | 14.05.1993 |
| 6. | Mr Anoop Hoon | 00686289 | 01.02.2019 |
| 7. | Mr Kanwardip Singh Dhingra | 02696670 | 03.08.2011 |
| 8. | Mrs Sonu Halan Bhasin | 02872234 | 01.02.2019 |
| 9. | Mr Abhijit Roy | 03439064 | 11.02.2011 |
| 10. | Dr Anoop Kumar Mittal | 05177010 | 19.03.2020 |
| 11. | Mr Gopal Krishna Pillai | 02340756 | 15.05.2023 |

Ensuring the eligibility of for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This Certificate has been issued relying on the documents and information as mentioned herein above and as were made available to us or as came to our knowledge for verification without taking any cognizance of any legal dispute(s) or sub-judice matters which may have effect otherwise, if ordered so, by any concerned authority(ies). This certificate is also neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**CS ATUL KUMAR LABH**
**Practising Company Secretary**

Membership Number : FCS - 4848
CP No. : 3238
UIN : S1999WB026800
PRCN : 1038/2020
UDIN : F004848F000374514

Place : Kolkata
Dated : 15th May, 2024

# Independent Auditor's Report

## To the Members of Berger Paints India Limited

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of Berger Paints India Limited ("the Company"), which comprise the Balance Sheet as at March 31 2024, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

| Key audit matters | How our audit addressed the key audit matter |
|---|---|
| **Revenue Recognition** *(as described in Note 3.4 and Note 34 of the standalone financial statements)* | |
| The Company recognises revenues when the control of goods and/or services are transferred to the customer at an amount that reflects the net consideration, which the Company expects to receive for those goods and/or services from customers in accordance with the terms of the contracts. In determining the sales price, the Company considers the effects of applicable rebates, and discounts (variable consideration).<br><br>The terms of sales arrangements, including the timing of transfer of control, based on the terms of relevant contract and nature of discount and rebates arrangements, create complexities that require judgment in determining sales revenues.<br><br>Considering the above factors and the risk associated with revenue recognition, we have determined the same to be a key audit matter. | Our audit procedures included the following:<br>• We read and evaluated the Company's revenue recognition policy and assessed its compliance in terms of Ind AS 115 'Revenue from contracts with customers'.<br>• We assessed the design and tested the operating effectiveness of internal controls related to sales and applicable rebates/discounts.<br>• We performed test for a sample of individual revenue transactions by comparing the underlying sales invoices, sales orders and other related documents to assess that revenue is recognized on transfer of control to the customer in accordance with the terms of the contract.<br>• We tested, on a sample basis, rebates and discount schemes against the underlying documents to assess that the actual rebates and discounts recognized are as per the approved schemes and are appropriately recorded.<br>• We tested, on a sample basis, that revenue has been recognized in the proper period with reference to the supporting documents.<br>• We tested underlying documentation for journal entries which were considered to be material related to revenue recognition.<br>• We read and assessed the relevant disclosures made in the standalone financial statements. |
| **Impairment Assessment of Investments in Subsidiaries and Joint Ventures** *(as described in Note 44 of the standalone financial statements)* | |
| The carrying values of the Company's investments in subsidiaries and joint ventures are assessed annually by management for potential indicators of impairment by reference to the requirements under Ind AS 36 "Impairment of Assets". Accordingly, management has identified impairment indicators in respect of one joint venture and certain subsidiaries. As a result, an impairment assessment was required to be performed by the Company by comparing the carrying value of these investments to their recoverable amount to determine whether an impairment was required to be recognised.<br><br>For the purpose of the above impairment testing, management has determined the value in use and the fair value less costs to sell as applicable. Value in use has been determined by forecasting and discounting future cash flows. Furthermore, the value in use is sensitive to changes in some of the inputs used for forecasting the future cash flows.<br><br>Accordingly, we identified the assessment of potential impairment of investments in subsidiaries and joint ventures as a key audit matter because impairment assessment involves significant degree of management judgement in determining the key assumptions. | Our audit procedures included the following:<br>• We have obtained and discussed with management and evaluated the key judgements/assumptions underlying management's assessment of potential indicators of impairment.<br>• We obtained an understanding of the impairment assessment process and evaluated the design and tested the operating effectiveness of the controls in respect of the same.<br>• Where potential indicators of impairment were identified, we have assessed financial performance of subsidiaries and joint ventures and evaluated management's impairment assessments and assumptions of cash flow forecasts, discount rates, expected growth rates, terminal growth rates and fair value less cost to sell, as applicable.<br>• We performed sensitivity analysis to determine the impact of changes in the key assumptions.<br>• We involved valuation specialists where considered necessary, to independently assess the assumptions and methodologies used by the Company in computing the recoverable amount. In making this assessment, we also assessed the objectivity, independence and competency of the valuation specialists.<br>• We read and assessed the relevant disclosures made in the standalone financial statements. |

# Auditor's Report of the Standalone Financial Statements (contd.)

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Management for the Standalone Financial Statements

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

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 it appears from our examination of those books except for the matters stated in the paragraph (i)(vi) below on reporting under Rule 11(g);
   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

## Auditor's Report of the Standalone Financial Statements (contd.)

(e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(b) above on reporting under Section 143(3)(b) and paragraph (i)(vi) below on reporting under Rule 11(g);

(g) With respect to the adequacy of the internal financial controls with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(h) In our opinion, the managerial remuneration for the year ended March 31, 2024 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 48(b) to the standalone financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the Note 55 (A) (vii) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the Note 55 (A) (viii) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

As stated in note 33 to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated



## Independent Auditor's Report S F S (contd.)

throughout the year for all relevant transactions recorded in the software except that, as described in note 56 to the financial statements, audit trail feature is not enabled for direct changes to data when using certain access rights and also for certain changes made using privileged/ administrative access right. Also, in respect of software used in maintaining payroll records, in absence of service organisation controls report, we are unable to comment on whether audit trail feature of the underlying database was enabled and operated throughout the year. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of accounting software except that in absence of service organisation controls report, we are unable to comment on the same in respect of the software used to maintain payroll records.

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

per **VISHAL SHARMA**
**Partner**
Membership Number: 096766
UDIN: 24096766BKFFRX1443

Place of Signature: New Delhi
Dated: May 15, 2024

## Independent Auditor's Report S F S (contd.)

### Annexure '1' Referred to in Paragraph 1 Under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date

**Re: Berger Paints India Limited ("the Company")**

**In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:**

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and equipment.

(B) The Company has maintained proper records showing full particulars of intangibles assets.

(b) All Property, plant and equipment have not been physically verified by the management during the year but there is a regular programme of verification of all the Property, plant and equipment over a period of once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on verification carried out during the year in accordance with said programme.

(c) The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) included in Property, plant and equipment/ Right of use assets are held in the name of the Company except 7 (seven) title deeds of the immovable properties as disclosed in Note 4 and Note 47 to the standalone financial statements, as indicated in the below mentioned cases:

| Description of Property | Gross carrying value (₹ in crores) | Net carrying value (₹ in crores) | Held in name of | Whether promoter, director or their relative or employee | Period held – indicate range, where appropriate | Reason for not being held in the name of Company |
|---|---|---|---|---|---|---|
| One freehold land at Rishra, West Bengal | 1.36 | 1.36 | Berger Auto & Industrial Coatings Limited | No | 3rd March, 2005 | In terms of the order dated March 3, 2005 by the Hon'ble High Court at Calcutta approved the Scheme of Amalgamation of Berger Auto & Industrial Coatings Limited with the Company, the particular freehold land was transferred to the Company |
| One freehold land at Hindupur, Andhra Pradesh | 2.66 | 2.66 | Andra Pradesh Industrial Infrastructure Corporation Ltd | No | June 28, 2018 | The Company has received the allotment in its name and execution of title deed in respect of freehold land at Hindupur, Andhra Pradesh is under process |
| One leasehold land at Panaji, Goa | 0.35 | 0.26 | Rajdoot Paints Private Limited | No | October 01, 1998 | In terms of the order dated October 01, 1998, the Hon'ble High Court of Calcutta had approved the Scheme of Amalgamation of Rajdoot Paints Private Limited with the Company with effect from October 01, 1998. In terms of said order, all the aforesaid leasehold land parcels held by Rajdoot Paints Private Limited was transferred to the Company |
| One leasehold land at Sikandrabad, Uttar Pradesh | 0.27 | 0.13 | Rajdoot Paints Private Limited | No | October 01, 1998 | |
| One leasehold land at Chandigarh | 0.05 | 0.03 | Rajdoot Paints Private Limited | No | October 01, 1998 | |



Independent Auditor's Report S F S (contd.)

| Description of Property | Gross carrying value (₹ in crores) | Net carrying value (₹ in crores) | Held in name of | Whether promoter, director or their relative or employee | Period held – indicate range, where appropriate | Reason for not being held in the name of Company |
|---|---|---|---|---|---|---|
| One leasehold land at Odisha | 60.08 | 59.94 | Odisha Industrial Infrastructure Development Corporation | No | November 04, 2023 | The Company has received the allotment in its name and execution of lease deed in respect of 80 acres of land in Odisha is under process. |
| One leasehold land at Howrah, West Bengal | 0.01 | * | Government of West Bengal | No | September 26, 1957 | Renewal of lease with West Bengal Government in respect of a piece of land comprising about 0.08 acres at Howrah is under process since September 26, 2017. |

* Amount in below rounding off norms.

d) The Company has not revalued its Property, plant and equipment (including Right-of-use assets) or intangible assets during the year ended March 31, 2024.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory has been physically verified by the management during the year except for inventories lying with third parties. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Inventories lying with third parties have been confirmed by them as at March 31, 2024 and discrepancies of 10% or more in aggregate for each class of inventory were not noticed in respect of such confirmations. No discrepancies of 10% or more in aggregate for each class of inventory were noticed on such physical verification.

(b) As disclosed in Note 27 to the financial statements, the Company has been sanctioned working capital limits in excess of ₹ five crores in aggregate from banks during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns statements filed by the Company with such banks are not in agreement with the unaudited books of account of the Company and the details are as follows:

₹ in Crore

| Quarter ended | Value per books of account | Value per quarterly return/ statement | Discrepancy (give details)* |
|---|---|---|---|
| June 30, 2023 | | | |
| Inventories | 2,013.66 | 1,976.95 | 36.71 |
| Trade Receivables | 1,108.86 | 1,150.38 | (41.52) |
| Trade Payables | 1,674.97 | 1,686.97 | (12.00) |
| | | | |
| September 30, 2023 | | | |
| Trade Payables | 1,675.69 | 1,676.69 | (1.00) |
| | | | |
| December 31, 2023 | | | |
| Inventories | 1,926.96 | 1,919.12 | 7.84 |

* Quarterly statements submitted to banks were prepared and filed on the basis of provisional books/financial statements.

The Company does not have sanctioned working capital limits in excess of ₹five crores in aggregate from financial institutions during any point of time of the year on the basis of security of current assets.

## Independent Auditor's Report S F S (contd.)

(iii) (a) During the year the Company has provided loan and has stood guarantees to companies as follows:

₹ in Crore

| | Loans | Guarantees |
|---|---|---|
| Aggregate amount granted/ provided during the year<br>- Subsidiary Company | 12.36 | 0.67 |
| Balance outstanding as at balance sheet date in respect of the above Subsidiary | 36.50 | 122.67<br>(against which outstanding balances of loan as at year end amounts to ₹38.13 crores) |

During the year the Company has not provided loans, advances in the nature of loans, stood guarantees or provided securities to companies, firms, Limited Liability Partnerships or any other parties other than as mentioned above.

(b) During the year, the investments made, guarantees provided and the terms and conditions of the grant of loan are not prejudicial to the Company's interest. During the year, the Company has not made investments, provided guarantees, provided securities or granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties other than as mentioned above.

(c) In respect of loans granted to a company, the schedule of repayment of principal and payment of interest has been stipulated. Repayment of principal had not fallen due during the year. The receipt of interest has been regular during the year. The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties other than as mentioned above.

(d) There are no amounts of loans and advances in the nature of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than ninety days.

(e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

(iv) Loans, investments, guarantees and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable have been complied with by the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of Company's products, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues applicable to the Company have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding at the year end for a period of more than six months from the date they became payable.



Independent Auditor's Report S F S (contd.)

(b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other material statutory dues have not been deposited on account of any dispute, are as follows.

| Name of the statute | Nature of the dues | Amount (₹ In Crore) | Period to which the amount relates [Financial Year (FY)] | Forum where the dispute is pending |
|---|---|---|---|---|
| The Central Excise Act, 1944, Finance Act, 1994 and Customs Act, 1962 | Excise Duty/Service Tax/Customs | 0.64 | FY 2012-2013 and for FY 2017-2018 to FY 2021-2022 (Period: 2012-2013, April 2017 to June 2019 and July 2020 to July 2021) | Adjudicating Authority |
| | | 1.24 | FY 2005-2006 to FY 2006-2007 and for FY 2015-2016 to FY 2017-2018 (Period: April 2005 to October 2006 and March 2016 to June 2017) | Commissioner (Appeals) |
| | | 22.73 | FY 1990-1991 to FY 1995-1996 and for FY 2003-2004 to FY 2017-2018 (Period: 1990 to 1995, April 2003 to January 2005 and March 2005 to June 2017) | Customs Excise Service Tax Appellate Tribunal (CESTAT) |
| | | 21.84 | FY 2011-2012 to 2013-2014 (Period: April 2011 to March 2014) | High Court |
| The Central Sales Tax Act, 1956 and The Value Added Tax Act, 2005 | Sales Tax/Value added Tax | 0.01 | FY 2003-2004 | Appellate and Revisional Board |
| | | 4.19 | FY 1983-1984 to 1985-1986, FY 1988-1989 to FY 1996-1997 and for FY 1999-2000 to 2011-2018 (Period: 1983-1985, 1988-1990, 1991-1994, 1995-1996, 1999-2001, 2002-2011 and 2012-2018) | Appellate Authority |
| | | 6.73 | FY 1998-1999 to FY 2004-2005 and for FY 2012-2013 to FY 2018-2019 (Period: 1998-2000, 2001-2002, 2003-2004, 2012-2015 and 2016-2018) | Taxation Tribunal |
| | | 1.64 | FY 1994-1995 to FY 1998-1999, FY 2009-2010 and for FY 2012-13 to FY 2018-2019 (Period: 1994-1995, 1996-1998, 2009-2010, 2012-2014 and 2015-2018) | High Court |
| Goods and Service Tax Act, 2017 | Goods and Service Tax | 18.35 | FY 2017-2018 to FY 2022-2023 (Period: July 2017 to Dec 2020 and April 2021 to March 2023) | Adjudicating Authority |
| | | 1.14 | FY 2017-2018 to FY 2018-2019 (Period: July 2017 to March 2019) | First Appellate Authority |
| Income Tax Act, 1961 | Income Tax | 20.95 | FY 2015-16, FY 2017-18 and for FY 2019-20 to FY 2020-21 | Commissioner of Income Tax (Appeals) |

* Net of amount deposited on account of dispute

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

## Independent Auditor's Report S F S (contd.)

(c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix) (c) of the Order is not applicable to the Company.

(d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or joint ventures. The Company does not have any associate.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company. The Company does not have any associate.

(x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) and hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) No fraud by the Company or no material fraud on the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) The Company is not a nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), (b) and (c) of the Order is not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.



## Independent Auditor's Report S F S (contd.)

(d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses in the current year and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in Note 54 to the standalone financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in Note 42.2 to the standalone financial statements.

(b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in Note 42.2 to the standalone financial statements.

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

per **VISHAL SHARMA**
Partner
Membership Number: 096766
UDIN: 24096766BKFFRX1443

Place of Signature: New Delhi
Dated: May 15, 2024

## Independent Auditor's Report S F S (contd.)

### Annexure "2" to the Independent Auditor's Report of even date on the Standalone Financial Statements of Berger Paints India Limited

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

We have audited the internal financial controls with reference to standalone financial statements of Berger Paints India Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditor's Responsibility**

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

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

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

**Meaning of Internal Financial Controls With Reference to these Standalone Financial Statements**

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



Independent Auditor's Report S F S (contd.)

**Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements**

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

**Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

per **VISHAL SHARMA**
Partner
Membership Number: 096766
UDIN: 24096766BKFFRX1443

Place of Signature: New Delhi
Dated: May 15, 2024

# Standalone Balance Sheet

As At March 31, 2024

₹ in Crores

| | Notes | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 4 | 2,259.66 | 2,288.32 |
| Capital work-in-progress | 5 | 128.72 | 78.20 |
| Intangible assets | 6(a) | 12.32 | 11.05 |
| Right-of-use assets | 47 | 610.29 | 441.20 |
| Intangible asset under development | 6(b) | 1.61 | 0.35 |
| Financial assets | | | |
| (a) Investments | 7 | 745.42 | 745.42 |
| (b) Trade receivables | 8 | 20.93 | - |
| (c) Loans | 9 | 32.50 | 24.14 |
| (d) Other financial assets | 10 | 96.06 | 123.83 |
| Income tax assets (net) | 11 | 36.21 | 61.57 |
| Other non-current assets | 12 | 14.07 | 25.80 |
| | | **3,957.79** | **3,799.88** |
| **Current assets** | | | |
| Inventories | 13 | 2,019.43 | 2,146.10 |
| Financial assets | | | |
| (a) Investments | 14 | 51.35 | 26.13 |
| (b) Trade receivables | 15 | 979.39 | 970.80 |
| (c) Cash and cash equivalents | 16 | 151.20 | 56.87 |
| (d) Bank balances other than (c) above | 17 | 183.04 | 117.60 |
| (e) Loans | 18 | 4.00 | - |
| (f) Other financial assets | 19 | 70.36 | 52.53 |
| Other current assets | 20 | 165.10 | 230.18 |
| | | **3,623.87** | **3,600.21** |
| **Total assets** | | **7,581.66** | **7,400.09** |
| **Equity and Liabilities** | | | |
| **Equity** | | | |
| Equity share capital | 21 | 116.58 | 97.14 |
| Other equity | 22 | 4,888.66 | 4,198.05 |
| **Total Equity** | | **5,005.24** | **4,295.19** |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Financial liabilities | | | |
| (a) Lease liabilities | 47 | 418.75 | 305.81 |
| (b) Other financial liabilities | 23 | 69.59 | 71.60 |
| Provisions | 24 | 4.64 | 4.29 |
| Deferred tax liabilities (net) | 25 | 37.06 | 25.57 |
| Other non- current liabilities | 26 | 10.11 | 1.60 |
| | | **540.15** | **408.87** |
| **Current liabilities** | | | |
| Financial liabilities | | | |
| (a) Borrowings | 27 | 64.41 | 674.70 |
| (b) Lease liabilities | 47 | 96.16 | 78.80 |
| (c) Trade payables | | | |
| i) Total outstanding dues of micro enterprises and small enterprises | 28 | 56.07 | 97.46 |
| ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | | 1,511.12 | 1,576.88 |
| (d) Other financial liabilities | 29 | 106.26 | 92.20 |
| Other current liabilities | 30 | 123.30 | 105.54 |
| Provisions | 31 | 56.14 | 52.44 |
| Income tax liabilities (net) | 32 | 22.81 | 18.01 |
| | | **2,036.27** | **2,696.03** |
| **Total liabilities** | | **2,576.42** | **3,104.90** |
| **Total equity and liabilities** | | **7,581.66** | **7,400.09** |

**Summary of material accounting policies** 3

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

As per our report of even date

For **S.R. BATLIBOI & CO. LLP**
Chartered Accountants
Firm Registration Number 301003E/E300005
per **VISHAL SHARMA**
Partner
Membership Number: 096766

Place: New Delhi
Dated: May 15, 2024

For and on behalf of
**Board of Directors of Berger Paints India Limited**

**KULDIP SINGH DHINGRA**
Chairman
(DIN: 00048406)

**GURBACHAN SINGH DHINGRA**
Vice-Chairman
(DIN: 00048465)

**ABHIJIT ROY**
Managing Director & CEO
(DIN: 03439064)

**KAUSHIK GHOSH**
Vice President & CFO
(ACA: 059971)

**ARUNITO GANGULY**
Vice President & Company Secretary
(FCS: 9285)

Place: Kolkata
Dated: May 15, 2024



# Standalone Statement of Profit and Loss

For the year ended March 31, 2024

₹ in Crores

| | Notes | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|---|
| **Income** | | | |
| Revenue from operations | 34 | 10,002.93 | 9,470.62 |
| Other income | 35 | 57.44 | 77.15 |
| **Total income** | | **10,060.37** | **9,547.77** |
| **Expenses** | | | |
| Cost of materials consumed | 36 | 5,019.55 | 5,270.87 |
| Purchases of stock-in-trade | 37 | 870.32 | 910.90 |
| (Increase)/decrease in inventories of finished goods, stock-in-trade and work-in-progress | 38 | 113.44 | (94.65) |
| Employee benefits expense | 39 | 537.27 | 458.12 |
| Finance costs | 40 | 64.66 | 86.28 |
| Depreciation and amortisation expense | 41 | 296.99 | 234.00 |
| Other expenses | 42 | 1,790.68 | 1,579.53 |
| **Total expense** | | **8,692.91** | **8,445.05** |
| **Profit before tax** | | **1,367.46** | **1,102.72** |
| **Tax expense** | | | |
| Current tax | | 340.96 | 271.75 |
| Deferred tax charge | 25 | 11.45 | 2.58 |
| **Total Tax Expense** | | **352.41** | **274.33** |
| **Profit for the year (I)** | | **1,015.05** | **828.39** |
| **Other comprehensive income/(loss):** | | | |
| Items that will not be reclassified to Statement of Profit or Loss in subsequent periods: | | | |
| Re-measurement gains/(loss) on defined benefit obligations | | 0.18 | (0.74) |
| Income tax effect thereof | | (0.04) | 0.19 |
| **Other comprehensive income/(loss) for the year (II)** | | **0.14** | **(0.55)** |
| **Total comprehensive income for the year (I + II)** | | **1,015.19** | **827.84** |
| **Earnings per Equity Share of Face Value of ₹1 each** | 43 | | |
| Basic (amount in ₹) | | 8.71 | 7.11 |
| Diluted (amount in ₹) | | 8.71 | 7.11 |

**Summary of material accounting policies** 3

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

As per our report of even date

For **S.R. BATLIBOI & CO. LLP**
Chartered Accountants
Firm Registration Number 301003E/E300005
per **VISHAL SHARMA**
Partner
Membership Number: 096766

Place: New Delhi
Dated: May 15, 2024

For and on behalf of
**Board of Directors of Berger Paints India Limited**

**KULDIP SINGH DHINGRA**
Chairman
(DIN: 00048406)

**GURBACHAN SINGH DHINGRA**
Vice-Chairman
(DIN: 00048465)

**ABHIJIT ROY**
Managing Director & CEO
(DIN: 03439064)

**KAUSHIK GHOSH**
Vice President & CFO
(ACA: 059971)

**ARUNITO GANGULY**
Vice President & Company Secretary
(FCS: 9285)

Place: Kolkata
Dated: May 15, 2024

# Standalone Statement of Changes in Equity

for the year ended March 31, 2024

## a. Equity Share Capital (Refer Note 21)

| Particulars | No. of shares | Amount (₹ In Crores) |
|---|---|---|
| Equity shares of ₹1 each issued, subscribed and fully paid | | |
| **As at April 1, 2022** | **97,13,23,489** | **97.13** |
| Add: Issue of Shares on exercise of Employee Stock Options (Note 46) | 98,996 | 0.01 |
| **As at March 31, 2023** | **97,14,22,485** | **97.14** |
| Add: Issue of Shares on exercise of Employee Stock Options (Note 46) | 89,067 | 0.01 |
| Add: Issue of Bonus Shares (Note 21) | 19,42,84,497 | 19.43 |
| **As at March 31, 2024** | **1,16,57,96,049** | **116.58** |

## b. Other equity (Refer Note 22)

For the year ended March 31, 2024 — ₹ in Crores

| Particulars | Reserves & Surplus | | | | | | |
|---|---|---|---|---|---|---|---|
| | Securities premium | Share based payment reserve | Retained earnings | Capital reserve | General reserve | Capital redemption reserve | Total Equity |
| **As at April 1, 2023 (A)** | **127.47** | **4.58** | **3,775.33** | **0.02** | **290.61** | **0.04** | **4,198.05** |
| Profit for the year | – | – | 1,015.05 | – | – | – | 1,015.05 |
| Other comprehensive income for the year (net of tax) | – | – | 0.14 | – | – | – | 0.14 |
| **Total Comprehensive Income for the year (B)** | **–** | **–** | **1,015.19** | **–** | **–** | **–** | **1,015.19** |
| Share based payments (Note 46) | – | 6.04 | – | – | – | – | 6.04 |
| Exercise of share options (Note 46) | 5.17 | (5.17) | – | – | – | – | – |
| Share Options forfeited/lapsed (Note 46) | – | (0.33) | – | – | – | – | (0.33) |
| Dividends (Note 33) | – | – | (310.86) | – | – | – | (310.86) |
| Bonus Shares (Note 21) | (19.43) | – | – | – | – | – | (19.43) |
| **Total (C)** | **(14.26)** | **0.54** | **(310.86)** | **–** | **–** | **–** | **(324.58)** |
| **As at March 31, 2024 (A+B+C)** | **113.21** | **5.12** | **4,479.66** | **0.02** | **290.61** | **0.04** | **4,888.66** |



# Standalone Statement of Changes in Equity

for the year ended March 31, 2024

## b. Other equity (Refer Note 22) (contd.)

For the year ended March 31, 2023 — ₹ in Crores

| Particulars | Reserves & Surplus | | | | | | |
|---|---|---|---|---|---|---|---|
| | Securities premium | Share based payment reserve | Retained earnings | Capital reserve | General reserve | Capital redemption reserve | Total Equity |
| **As at April 1, 2022 (A)** | **120.72** | **6.77** | **3,248.60** | **0.02** | **290.61** | **0.04** | **3,666.76** |
| Profit for the year | – | – | 828.39 | – | – | – | 828.39 |
| Other comprehensive loss for the year (net of tax) | – | – | (0.55) | – | – | – | (0.55) |
| **Total Comprehensive Income for the year (B)** | **–** | **–** | **827.84** | **–** | **–** | **–** | **827.84** |
| Share based payments (Note 46) | – | 5.93 | – | – | – | – | 5.93 |
| Exercise of share options (Note 46) | 6.75 | (6.75) | – | – | – | – | – |
| Share Options forfeited/lapsed (Note 46) | – | (1.37) | – | – | – | – | (1.37) |
| Dividends (Note 33) | – | – | (301.11) | – | – | – | (301.11) |
| **Total (C)** | **6.75** | **(2.19)** | **(301.11)** | **–** | **–** | **–** | **(296.55)** |
| **As at March 31, 2023 (A+B+C)** | **127.47** | **4.58** | **3,775.33** | **0.02** | **290.61** | **0.04** | **4,198.05** |

**Summary of material accounting policies** 3

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

As per our report of even date

For **S.R. BATLIBOI & CO. LLP**
Chartered Accountants
Firm Registration Number 301003E/E300005
per **VISHAL SHARMA**
Partner
Membership Number: 096766

Place: New Delhi
Dated: May 15, 2024

For and on behalf of

**Board of Directors of Berger Paints India Limited**

**KULDIP SINGH DHINGRA**
Chairman
(DIN: 00048406)

**GURBACHAN SINGH DHINGRA**
Vice-Chairman
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Managing Director & CEO
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**KAUSHIK GHOSH**
Vice President & CFO
(ACA: 059971)

**ARUNITO GANGULY**
Vice President & Company Secretary
(FCS: 9285)

Place: Kolkata
Dated: May 15, 2024

# Standalone Cash Flow Statement

For the year ended March 31, 2024

₹ in Crores

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| **A. Cash flows from operating activities:** | | |
| **Profit before tax** | **1,367.46** | **1,102.72** |
| Adjustments to reconcile profit before tax to net cash flows : | | |
| Depreciation and amortisation expense | 296.99 | 234.00 |
| (Profit)/loss on sale/discard of Property, plant and equipment * | 0.00 | 4.27 |
| Share based payment to employees | 5.71 | 4.56 |
| Sundry balances written back | (5.11) | (3.19) |
| Gain on early termination of leases | (3.20) | (3.53) |
| Corporate guarantee income | (0.05) | (0.33) |
| Net foreign exchange differences | 0.41 | (0.20) |
| Provision for bad and doubtful debts (net) | 12.89 | 19.43 |
| Net gain on sale of mutual fund investments measured at Fair Value Through Profit or Loss (FVTPL) | (5.10) | (0.86) |
| Fair value gain on mutual fund investments measured at Fair Value Through Profit or Loss (FVTPL) | (0.22) | (0.06) |
| Dividend income | (2.06) | (33.96) |
| Finance costs | 64.66 | 86.28 |
| Interest income | (20.16) | (10.17) |
| **Operating profit before working capital changes** | **1,712.22** | **1,398.96** |
| Adjustments for: | | |
| Decrease in trade payables | (103.32) | (31.08) |
| Increase/(decrease) in other financial liabilities | (7.36) | 11.94 |
| Increase in other liabilities | 26.24 | 30.17 |
| Increase in provisions | 3.89 | 22.98 |
| (Increase)/Decrease in loans, deposits and other financial assets | 13.15 | (38.06) |
| (Increase)/Decrease in other assets | 63.87 | (30.33) |
| Increase in trade receivables | (44.52) | (154.65) |
| Decrease in inventories | 126.67 | 3.87 |
| **Cash generated from operations** | **1,790.84** | **1,213.80** |
| Direct taxes paid (net of refunds) | (307.94) | (279.51) |
| **Net cash flows from operating activities (A)** | **1,482.90** | **934.29** |
| **B. Cash flows from investing activities:** | | |
| Purchase of property, plant and equipment and intangible assets (including capital work in progress and intangible assets under development) | (213.12) | (697.63) |
| Proceeds from sale of property, plant and equipment and intangible assets | 2.21 | 1.58 |
| Loan given to a subsidiary | (12.36) | (13.18) |
| Investment in subsidiaries | – | (61.18) |
| Proceeds from sale of current investments | 1,545.26 | 700.99 |
| Purchase of current investments | (1,565.16) | (663.45) |
| Proceeds from maturity of fixed deposits with banks | 112.84 | 150.82 |
| Investment in fixed deposits with banks | (178.69) | (117.43) |
| Dividend received | 2.06 | 33.96 |
| Interest received | 10.64 | 6.38 |
| **Net cash used in investing activities (B)** | **(296.32)** | **(659.14)** |
| **C. Cash flows from financing activities:** | | |
| Proceeds from issuance of equity share capital | 0.01 | 0.01 |
| Net movement in cash credit | 3.98 | (0.13) |
| Other short term borrowings taken | 6,407.04 | 7,873.67 |
| Repayment of other short term borrowings | (7,021.31) | (7,714.40) |
| Payment of lease liabilities (including interest) | (145.94) | (90.88) |
| Interest paid | (25.17) | (51.42) |
| Dividend paid | (310.86) | (301.11) |
| **Net cash used in financing activities (C )** | **(1,092.25)** | **(284.26)** |
| **Net Increase/(decrease) in cash and cash equivalents [A+B+C]** | **94.33** | **(9.11)** |
| **Cash and cash equivalents as at the beginning of the year (Refer Note 16)** | **56.87** | **65.98** |
| **Cash and cash equivalents as at end of the year (Refer Note 16)** | **151.20** | **56.87** |
| **Components of cash and cash equivalents** | | |
| Balances with banks (Refer Note 16): | | |
| – On current accounts | 144.92 | 55.03 |
| – Deposits with original maturity of less than three months | 4.00 | 1.25 |
| Cheques/drafts on hand | 2.11 | 0.42 |
| Cash on hand | 0.17 | 0.17 |
| **Total cash and cash equivalents** | **151.20** | **56.87** |

* Amount is below the rounding off norms of the Company.

* Refer Note 57.

**Summary of material accounting policies (Refer Note 3)**

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

As per our report of even date

For **S.R. BATLIBOI & CO. LLP**
Chartered Accountants
Firm Registration Number 301003E/E300005
per **VISHAL SHARMA**
Partner
Membership Number: 096766

Place: New Delhi
Dated: May 15, 2024

For and on behalf of

**Board of Directors of Berger Paints India Limited**

**KULDIP SINGH DHINGRA**
Chairman
(DIN: 00048406)

**GURBACHAN SINGH DHINGRA**
Vice-Chairman
(DIN: 00048465)

**ABHIJIT ROY**
Managing Director & CEO
(DIN: 03439064)

**KAUSHIK GHOSH**
Vice President & CFO
(ACA: 059971)

**ARUNITO GANGULY**
Vice President & Company Secretary
(FCS: 9285)

Place: Kolkata
Dated: May 15, 2024



# Notes to Standalone Financial Statements

As at and for the year ended March 31, 2024

## 1. Corporate Information

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

These Standalone Financial Statements were approved for issue in accordance with a resolution of the Board of Directors on May 15, 2024.

## 2. Basis of Preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013 (Ind AS compliant Schedule III), as applicable to the financial statements.

These Standalone Financial Statements have been prepared on a historical cost basis, except for certain assets and liabilities which have been measured at fair values (refer accounting policy regarding financial instruments). The Standalone Financial Statements are presented in INR and all values are rounded-off to the nearest crores with 2 decimal places (INR 00,00,000), except when otherwise indicated.

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

The standalone financial statements provide comparative information in respect of the previous period. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

## 3. Summary of Material Accounting Policies

### 3.1. Current and Non - Current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

The Company has identified twelve months as its operating cycle.

## Notes to Standalone Financial Statements (contd.)

### 3.2. Foreign Currencies

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

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

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

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

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Company initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Company determines the transaction date for each payment or receipt of advance consideration.

### 3.3. Fair Value Measurement

The Company measures financial instruments at fair value at each balance sheet date.

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

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

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

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

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

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



Notes to Standalone Financial Statements (contd.)

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

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

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

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

The Company determines the policies and procedures for both recurring fair value measurement, such as unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for sale in discontinued operations, if any.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets, and significant liabilities, such as contingent consideration. Involvement of external valuers is decided upon annually by the management after discussion with and approval by the Company's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

### 3.4. Revenue from contract with customer

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract, excluding amounts collected on behalf of third parties.

**Sale of Goods**

Revenue from sale of goods is recognised on transfer of control in the goods to customers at a point of time by performance of obligation towards delivery or as per customers' instruction. The normal credit term is 30 to 90 days upon delivery. The revenue is based on the consideration defined in the contract with a customer, including

variable consideration, such as discounts, volume rebates, rights to return or other contractual reductions. As the period between the date on which the Company transfers the promised goods to the customer and the date on which the customer pays for these goods is generally one year or less, no financing components are considered. The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated.

The Company provides volume rebates to certain customers once the quantity of products purchased by the customers during the period exceeds a threshold specified in the contract. Generally, rebates are offset against the amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the Company applies the expected value method.

Certain contracts provide a customer with a right to return the goods within a specified period. The Company uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Company will be entitled. The requirements in Ind AS on constraining estimates of variable consideration to are also applied in order to determine the amount of variable consideration that can be included in the transaction price.

**Revenue from Combined Contracts**

Revenue from combined contracts is recognised in accordance with terms and condition of underlying contracts:

- at a point of time when such combined output is delivered to customers' satisfaction and the customers acknowledge their obligation to pay for such output

- over time by measuring progress towards satisfaction of performance obligation for the services rendered using output method based on milestones reached.

**Interest income**

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and effective interest rate applicable.

**Dividend income**

Dividend income from investments is recognised when the right to receive payment has been established.

**Trade receivables**

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in sections "Financial instruments – initial recognition and measurement" and "Financial instruments-subsequent measurement". Refer note no 3.20 below.

## 3.5. Government Grants

Government grants and subsidies are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant or subsidy relates to revenue and is related to the corresponding costs, it is recognised as income on a systematic basis in the Statement of Profit and Loss, under Other Operating Revenue, over the periods necessary to match them with the related costs, which they are intended to compensate. When the grant or subsidy relates to an asset, it is deducted from the carrying amount of the asset. The grant is recognised in the Statement of Profit and Loss over the useful life of the depreciable asset by way of a reduced depreciation charge.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to Statement of Profit and Loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e., by equal annual instalments.

## 3.6. Taxes

Tax expense comprises current income tax expense and deferred tax.

**Current Income Tax**

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

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. The Company shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

**Deferred Tax**

Deferred tax is provided using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Standalone Financial Statements at the reporting date. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss).

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences.
- In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred

tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

In assessing the recoverability of deferred tax assets, the Company relies on the same forecast assumptions used elsewhere in the financial statements and in other management reports, which, among other things, reflect the potential impact of climate-related development on the business, such as increased cost of production as a result of measures to reduce carbon emission.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Current and deferred tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in Other Comprehensive Income (OCI) or directly in equity. In this case, the tax is also recognised in OCI or directly in equity, respectively.

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

**Goods and Service tax paid on acquisition of assets or on incurring expenses**

Expenses and assets are recognised net of the amount of Goods and Service tax paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of tax included, the net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

## 3.7. Property, Plant and Equipment

Property, plant and equipment (PPE) are carried at cost of acquisition, on current cost basis less accumulated depreciation and accumulated impairment losses, if any. Cost comprises purchase price and directly attributable cost of bringing the asset to its working condition for the intended use. Any





trade discounts and rebates are deducted in arriving at the purchase price. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Machinery spares which can be used only in connection with an item of property, plant and equipment and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in Statement of Profit and Loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Refer to note 44 regarding significant accounting judgements, estimates and assumptions and provisions for further information about the recorded decommissioning provision.

Subsequent expenditure would be recognized in the carrying amount of PPE when that cost/ expense would meet the recognition criteria given in paragraph 7 of Ind AS 16 i.e., it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

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

- Plant and Machinery: 3 years to 21.05 years
- Motor Vehicles: 6.67 years
- Tinting Machines: Based on useful lives of 60 months
- No depreciation is provided on freehold land

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

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. The Company also considers the impact of health, safety and environmental legislation in its assessment of expected useful lives and estimated residual values. Furthermore, the Company considers climate-related matters, including physical and transition risks. Specifically, the Company determines whether climate-related legislation and regulations might impact either the useful life or residual values.

### 3.7.1 Capital work in progress

Cost of assets not ready for intended use, as the balance sheet date, is shown as capital work in progress. Capital work in progress is stated at cost, net of accumulated impairment loss, if any.

## Notes to Standalone Financial Statements (contd.)

### 3.8. Intangible Assets

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

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is de-recognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is de-recognised.

### 3.9. Research and Development

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

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

(a) it is technically feasible to complete the intangible asset so that it will be available for use or sale.

(b) the Company intends to complete the intangible asset and use or sell it.

(c) the Company has ability to use or sell the intangible asset.

(d) the Company can demonstrate how the intangible asset will generate probable future economic benefits.

(e) the Company has adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.

(f) the Company has ability to measure reliably the expenditure attributable to the intangible asset during its development.



Notes to Standalone Financial Statements (contd.)

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

During the period of development, the asset is tested for impairment annually.

### 3.10. Borrowing Costs

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

### 3.11. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**As a lessee**

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

**i) Right-of-use assets**

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the present value of lease payments to be made over the lease term, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Leasehold Land and Building: 2 years to 99 years

If ownership of the leased asset transfers to the company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 3.13 Impairment of non-financial assets.

## Notes to Standalone Financial Statements (contd.)

**ii) Lease Liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the company and payments of penalties for terminating the lease, if the lease term reflects the company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are included in Note 47.

**iii) Short-term leases and leases of low-value assets**

The Company applies the short-term lease recognition exemption to its short-term leases of properties taken on rent (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to properties that are of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

**As a lessor**

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

### 3.12. Inventories

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

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



Notes to Standalone Financial Statements (contd.)

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

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

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

### 3.13. Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset (including goodwill) may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Intangible assets with indefinite useful lives are tested for impairment annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

The Company assesses where climate risks could have a significant impact, such as the introduction of emission- reduction legislation that may increase manufacturing costs. These risks in relation to climate-related matters are included as key assumptions where they materially impact the measure of recoverable amount, These assumptions have been included in the cash-flow forecasts in assessing value-in-use amounts, as applicable.

### 3.14. Provisions and Contingencies

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

## Notes to Standalone Financial Statements (contd.)

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

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

The impact of climate-related matters on remediation of environmental damage is considered with determining the decommissioning liability on the manufacturing facility.

If the Company has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Company recognises any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Company cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it.

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

### 3.15. Employee Benefits

**Short-term Employee Benefits:**

Liabilities for short-term employee benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as 'Employee Benefits Payable' within 'Other Financial Liabilities' in the Balance Sheet.

**Post-employment Benefits:**

**I. Defined Contribution Plan**

**a. Superannuation**

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



Notes to Standalone Financial Statements (contd.)

**b. Provident Fund**

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

**II. Defined Benefit Plan**

**a. Gratuity**

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

**b. Provident Fund**

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

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

**III. Long Term Compensated Absences**

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

### 3.16.Employees Stock Option

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

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

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

If the options vests in instalments (i.e., the options vest prorata over the service period), then each instalment is treated as a separate share option grant because each instalment has a different vesting period.

### 3.17.Cash and Cash Equivalents

Cash and cash equivalent for the purpose of presentation in cash flow statement and in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash, which are subject to an insignificant risk of changes in value.

### 3.18.Forward Currency Contracts

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

### 3.19.Earnings Per Share

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

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



Notes to Standalone Financial Statements (contd.)

### 3.20.Financial Instruments

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

**A. Financial assets**

**i. Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price. The Company has elected the practical expedient in Ind AS 115 about the existence of significant financing component and the disclosures pertaining to contracts with original expected duration of one year or less and contracts where revenue recognised corresponds to the value transferred to customer typically involving sales of products.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

**ii. Subsequent measurement**

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

- Debt instruments at amortised cost
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)
- Financial assets at fair value through profit or loss.

**Debt instruments at amortised cost other than derivative contracts**

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

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

## Notes to Standalone Financial Statements (contd.)

This assessment is referred to as the Solely Payments of Principal and Interest (SPPI) test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

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

**Equity investments**

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

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

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

**iii. De-recognition**

A financial asset (or, where applicable, a part of a financial asset or part of a Company's similar financial assets) is primarily de-recognised when:

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

**iv. Impairment of financial assets**

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

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

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

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

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



Notes to Standalone Financial Statements (contd.)

a. All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

b. Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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

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

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

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

**B. Financial liabilities**

**i. Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowing or payables, as appropriate.

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

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

**ii. Subsequent measurement**

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

**Financial liabilities at fair value through profit or loss**

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

## Notes to Standalone Financial Statements (contd.)

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

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

**Trade Payables**

Trade payables represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

**Loans and borrowings**

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

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

**Financial guarantee contracts**

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the lender for a loss it incurs because the specified borrower fails to make a payment when due in accordance with the terms of a loan agreement. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

**De-recognition**

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

**Reclassification of Financial Assets and Liabilities:**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management



Notes to Standalone Financial Statements (contd.)

determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

| Original classification | Revised classification | Accounting treatment |
|---|---|---|
| Amortised cost | FVTPL | Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in profit or loss. |
| FVTPL | Amortised Cost | Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount. |
| Amortised cost | FVTOCI | Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification. |
| FVTOCI | Amortised cost | Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost. |
| FVTPL | FVTOCI | Fair value at reclassification date becomes its new carrying amount. No other adjustment is required. |
| FVTOCI | FVTPL | Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss the reclassification date. |

**Offsetting of financial instruments**

Financial assets and financial liabilities are off-set and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

### 3.21.Cash dividend to equity holders of the Company

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

### 3.22.Operating Segments

The Business Process and Risk Management Committee of the Company approved by the Board of Directors and Audit Committee performs the function of allotment of resources and assessment of performance of the Company. Considering the level of activities performed, frequency of their meetings

## Notes to Standalone Financial Statements (contd.)

and level of finality of their decisions, the Company has identified that Chief Operating Decision Maker function is being performed by the Business Process and Risk Management Committee. The financial information presented to the Business Process and Risk Management Committee in the context of results and for the purposes of approving the annual operating plan is on a consolidated basis for various products of the Company. As the Company's business activity falls within a single business segment viz. 'Paints' and the sales substantially being in the domestic market, the Standalone financial statement are reflective of the information required by Ind AS 108 "Operating Segments".

### 3.23. Events after reporting date:

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the Financial Statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

### 3.24. New and amended standards

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective for annual periods beginning on or after 1 April 2023. The Company applied for the first-time these amendments.

**(i) Accounting Estimates - Amendments to Ind AS 8**

The amendments clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no material impact on the Company's standalone financial statements.

**(ii) Disclosure of Accounting Policies - Amendments to Ind AS 1**

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's financial statements.

**(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12**

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases.

The Company previously recognised for deferred tax on leases on a net basis. As a result of these amendments, the Company has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. Since, these balances qualify for offset as per the requirements of paragraph 74 of Ind AS 12,there is no impact in the balance sheet. There was also no impact on the opening retained earnings as at April 01, 2022.

Apart from these, consequential amendments and editorials have been made to other Ind AS like Ind AS 101, Ind AS 102, Ind AS 103, Ind AS 107, Ind AS 109, Ind AS 115 and Ind AS 34 as applicable.



## Notes to Standalone Financial Statements

for the year ended March 31, 2024

### Note 4. Property, Plant and Equipment

₹ in Crores

| Particulars | Freehold Land | Buildings # | Plant and Equipment ## | Furniture and Fixtures | Computer ## | Office Equipment | Vehicles | Total |
|---|---|---|---|---|---|---|---|---|
| **Gross Carrying Amount** | | | | | | | | |
| **As at April 1, 2022** | **12.03** | **606.36** | **1,184.61** | **36.15** | **51.68** | **24.31** | **14.17** | **1,929.31** |
| Additions | – | 459.90 | 706.97 | 6.02 | 8.38 | 6.48 | 3.42 | 1,191.17 |
| Disposals | – | (2.14) | (16.51) | (0.07) | (1.56) | (0.29) | (2.70) | (23.27) |
| **As at March 31, 2023** | **12.03** | **1,064.12** | **1,875.07** | **42.10** | **58.50** | **30.50** | **14.89** | **3,097.21** |
| Additions | – | 19.49 | 142.25 | 6.41 | 7.09 | 5.62 | 4.83 | 185.69 |
| Disposals | – | (0.02) | (2.66) | (0.92) | (2.68) | (0.96) | (3.43) | (10.67) |
| **As at March 31, 2024** | **12.03** | **1,083.59** | **2,014.66** | **47.59** | **62.91** | **35.16** | **16.29** | **3,272.23** |
| **Accumulated Depreciation** | | | | | | | | |
| **As at April 1, 2022** | **–** | **108.48** | **474.39** | **21.82** | **41.10** | **14.33** | **5.55** | **665.67** |
| Charge for the year | – | 24.53 | 118.96 | 3.58 | 7.31 | 3.95 | 2.32 | 160.65 |
| Disposals | – | (0.37) | (13.96) | (0.04) | (1.49) | (0.08) | (1.49) | (17.43) |
| **As at March 31, 2023** | **–** | **132.64** | **579.39** | **25.36** | **46.92** | **18.20** | **6.38** | **808.89** |
| Charge for the year | – | 46.45 | 150.08 | 3.41 | 6.31 | 3.53 | 2.37 | 212.15 |
| Disposals* | – | (0.00) | (2.02) | (0.72) | (2.54) | (0.79) | (2.40) | (8.47) |
| **As at March 31, 2024** | **–** | **179.09** | **727.45** | **28.05** | **50.69** | **20.94** | **6.35** | **1,012.57** |
| **Net Carrying Amount** | | | | | | | | |
| **As at March 31, 2024** | **12.03** | **904.50** | **1,287.21** | **19.54** | **12.22** | **14.22** | **9.94** | **2,259.66** |
| As at March 31, 2023 | 12.03 | 931.48 | 1,295.68 | 16.74 | 11.58 | 12.30 | 8.51 | 2,288.32 |

# Includes building constructed on leasehold land

## (i) Includes following assets (together constituting color bank machine) given under operating lease arrangements to the dealers:

₹ in Crores

| Particulars | Plant and Equipment | Computer | Total |
|---|---|---|---|
| **Gross Carrying Amount** | | | |
| **As at April 1, 2022** | **295.03** | **16.37** | **311.40** |
| Additions | 69.32 | 1.60 | 70.92 |
| Disposals * | (14.13) | (0.00) | (14.13) |
| **As at March 31, 2023** | **350.22** | **17.97** | **368.19** |
| Additions | 87.45 | 1.43 | 88.88 |
| Disposals | (0.51) | – | (0.51) |
| **As at March 31, 2024** | **437.16** | **19.40** | **456.56** |
| **Accumulated Depreciation** | | | |
| **As at April 1, 2022** | **175.97** | **13.48** | **189.45** |
| Charge for the year | 49.87 | 2.81 | 52.68 |
| Disposals* | (12.44) | (0.00) | (12.44) |
| **As at March 31, 2023** | **213.40** | **16.29** | **229.69** |
| Charge for the year | 52.36 | 1.58 | 53.94 |
| Disposals | (0.48) | – | (0.48) |
| **As at March 31, 2024** | **265.28** | **17.87** | **283.15** |
| **Net Carrying Amount** | | | |
| **As at March 31, 2024** | **171.88** | **1.53** | **173.41** |
| As at March 31, 2023 | 136.82 | 1.68 | 138.50 |

* Refer Note 57

## Notes to Standalone Financial Statements (contd.)

(ii) Title deeds of immovable properties set out in Note 4 above, are in the name of the Company except those mentioned below which is transferred to and vested in the Company pursuant to the Schemes of Amalgamation in earlier years or cases where execution of title deed is pending.

₹ in Crores

| Assets | Number of Title deeds | Description of item of property | Gross Carrying Amount | | Net Carrying Amount | | Title Deeds held in the name of | Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director | Property held since which date | Reason for not being held in the name of the company |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024 | As at March 31, 2023 | | | | |
| Property, plant and equipment | 1 | Freehold land at Rishra, West Bengal | 1.36 | 1.36 | 1.36 | 1.36 | Berger Auto & Industrial Coatings Limited | No | March 03, 2005 | Refer Note 1 below |
| Property, plant and equipment | 1 | Freehold land at Hindupur, Andhra Pradesh | 2.66 | 2.66 | 2.66 | 2.66 | Andhra Pradesh Industrial Infrastructure Corporation Limited | No | June 28, 2018 | Refer Note 2 below |

Note:

1. In terms of the order dated March 03, 2005 by the Hon'ble High Court at Calcutta approving Scheme of Amalgamation of Berger Auto and Industrial Coatings Limited with the Company, the particular freehold land was transferred to the Company.
2. The Company has received the allotment in its name and execution of title deed in respect of freehold land at Hindupur, Andhra Pradesh is under process.

## Note 5. Capital work in Progress

₹ in Crores

| Particulars | Building | Plant and Equipment | Other Assets | Total |
|---|---|---|---|---|
| **As at April 1, 2022** | **276.86** | **287.18** | **4.83** | **568.87** |
| Addition | 212.33 | 468.57 | 19.60 | 700.50 |
| Transferred to property, plant and equipment | (459.90) | (706.97) | (24.30) | (1,191.17) |
| **As at March 31, 2023** | **29.29** | **48.78** | **0.13** | **78.20** |
| Addition | 58.79 | 153.55 | 23.87 | 236.21 |
| Transferred to property, plant and equipment | (19.49) | (142.25) | (23.95) | (185.69) |
| **As at March 31, 2024** | **68.59** | **60.08** | **0.05** | **128.72** |

### (a) Capital work in progress (CWIP) Ageing Schedule

₹ in Crores

| Particulars | As at March 31, 2024 | | | | |
|---|---|---|---|---|---|
| | Amount in CWIP for a period of | | | | |
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 100.24 | 23.22 | 3.52 | 1.74 | 128.72 |

₹ in Crores

| Particulars | As at March 31, 2023 | | | | |
|---|---|---|---|---|---|
| | Amount in CWIP for a period of | | | | |
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 67.97 | 7.30 | 0.76 | 2.17 | 78.20 |

There are no projects as on each reporting period where activity has been suspended.



Notes to Standalone Financial Statements (contd.)

### (b) CWIP whose completion is overdue or has exceeded its cost as compared to its original plan as at March 31, 2024 is as below:

₹ in Crores

| Projects in Progress | To be completed in | | | |
|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years |
| ZNO Project | – | 2.69 | – | – |
| New 10 T Alkyd Resin Reactor | – | 1.16 | – | – |
| CED Alkyd Tank | – | 1.06 | – | – |
| Warehouse Management System Project | – | 0.27 | – | – |
| Emulsion Plant | 0.22 | – | – | – |
| Mixing tank | – | 0.19 | – | – |

There were no CWIP assets where completion was overdue against original planned timelines or where estimated cost exceeded its original planned cost as on March 31, 2023.

## Note 6. (a) Intangible assets

₹ in Crores

| Particulars | Computer Software | Total |
|---|---|---|
| **Gross Carrying Amount** | | |
| **As at April 1, 2022** | 29.18 | 29.18 |
| Additions | 5.88 | 5.88 |
| Disposals | (1.62) | (1.62) |
| **As at March 31, 2023** | **33.44** | **33.44** |
| Additions | 5.62 | 5.62 |
| Disposals | (0.01) | (0.01) |
| **As at March 31, 2024** | **39.05** | **39.05** |
| **Accumulated Amortisation** | | |
| **As at April 1, 2022** | **19.92** | **19.92** |
| Charge for the year | 4.09 | 4.09 |
| Disposals | (1.62) | (1.62) |
| **As at March 31, 2023** | **22.39** | **22.39** |
| Charge for the year | 4.35 | 4.35 |
| Disposals | (0.01) | (0.01) |
| **As at March 31, 2024** | **26.73** | **26.73** |
| **Net Carrying Amount** | | |
| **As at March 31, 2024** | **12.32** | **12.32** |
| **As at March 31, 2023** | **11.05** | **11.05** |

## Note 6. (b) Intangible assets under development

₹ in Crores

| Particulars | Computer Software |
|---|---|
| **As at April 1, 2022** | **–** |
| Addition | 0.35 |
| Transferred to Intangible Assets | – |
| **As at March 31, 2023** | **0.35** |
| Addition | 6.88 |
| Transferred to Intangible Assets | (5.62) |
| **As at March 31, 2024** | **1.61** |

## Notes to Standalone Financial Statements (contd.)

### Intangible asset under development ageing schedule:

₹ in Crores

| Particulars | As at March 31, 2024 | | | | |
|---|---|---|---|---|---|
| | Amount in Intangible asset under development for a period of | | | | |
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 1.61 | – | – | – | 1.61 |

₹ in Crores

| Particulars | As at March 31, 2023 | | | | |
|---|---|---|---|---|---|
| | Amount in Intangible asset under development for a period of | | | | |
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 0.35 | – | – | – | 0.35 |

There are no projects as on current reporting period where activity has been suspended. Also there are no projects as on current reporting period which has exceeded cost as compared to its original plan or where completion is overdue.

## Note 7. Non-current financial assets - Investments

| Particulars | Nominal Value per unit | Currency | Number of shares | | Amount (₹ in Crores) | |
|---|---|---|---|---|---|---|
| | | | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024 | As at March 31, 2023 |
| **Investment in equity shares of subsidiaries and joint ventures (at cost)** | | | | | | |
| Equity Shares - Unquoted (Fully Paid) | | | | | | |
| **Investment in Subsidiaries** | | | | | | |
| Beepee Coatings Private Limited | 10.00 | INR | 25,00,000 | 25,00,000 | 2.50 | 2.50 |
| Berger Jenson & Nicholson (Nepal) Private Limited | 100.00 | NEPALESE RUPEE | 3,45,421 | 3,45,421 | 4.46 | 4.46 |
| Berger Paints (Cyprus) Limited | | | | | | |
| Gross Investment | 1.71 | EURO | 80,72,220 | 80,72,220 | 101.11 | 101.11 |
| Less: Impairment loss recognised till date [Refer note 44(vii)] | | | | | (71.40) | (71.40) |
| Net carrying amount of investment | | | | | 29.71 | 29.71 |
| Lusako Trading Limited | 1.71 | EURO | 2,40,47,918 | 2,40,47,918 | 337.24 | 337.24 |
| SBL Specialty Coatings Private Limited | 10.00 | INR | 29,60,000 | 29,60,000 | 83.18 | 83.18 |
| Berger Hesse Wood Coatings Private Limited | 1.00 | INR | 1,03,03,580 | 1,03,03,580 | 1.50 | 1.50 |
| Berger Rock Paints Private Limited | 1.00 | INR | 4,08,00,000 | 4,08,00,000 | 4.08 | 4.08 |
| STP Limited | 10.00 | INR | 1,88,63,180 | 1,88,63,180 | 125.20 | 125.20 |
| **Investment in Joint Ventures** | | | | | | |
| Berger Becker Coatings Private Limited | 100.00 | INR | 2,70,850 | 2,70,850 | 2.71 | 2.71 |
| Berger Nippon Paint Automotive Coatings Private Limited | 1,000.00 | INR | 15,48,398 | 15,48,398 | 154.84 | 154.84 |
| **Total** | | | | | **745.42** | **745.42** |
| **Aggregate book value of Unquoted Investments** | | | | | **745.42** | **745.42** |
| **Aggregate amount of impairment in value of Investments** | | | | | **71.40** | **71.40** |



## Notes to Standalone Financial Statements (contd.)

## Note 8. Non-Current financial assets-Trade receivables

₹ in Crores

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **At amortised cost** | | |
| Unsecured | | |
| Considered good | 20.93 | – |
| Credit impaired | 8.90 | – |
| Less: Allowance for credit impaired trade receivable | (8.90) | – |
| **Total** | **20.93** | **–** |

(i) Trade receivables are non-interest bearing and generally have credit period between 30 to 90 days.

(ii) Refer Note 52 for movement in expected credit allowance on trade receivables.

(iii) There are no disputed trade receivables.

(iv) Non-current classification is basis the agreed terms with customers.

### Trade receivables Ageing Schedule

₹ in Crores

| Particulars | Not due | Outstanding as on March 31, 2024 from due date of payment | | | | | |
|---|---|---|---|---|---|---|---|
| | | Less than 6 Months | 6 months 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| **Undisputed Trade Receivables** | | | | | | | |
| Considered good | 15.16 | – | – | 2.63 | 3.14 | – | 20.93 |
| Credit impaired | – | – | – | – | 5.07 | 3.83 | 8.90 |

(i) There are no unbilled dues as on each reporting date.

(ii) Ageing schedule for outstanding trade receivables as on March 31, 2023 from due date of payment has not been furnished as the underlying amount was Nil.

## Note 9. Non-current Financial assets - Loans

(Unsecured, considered good unless otherwise stated)

₹ in Crores

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **At amortised cost** | | |
| Loan to a subsidiary (Refer Note 49b) | 32.50 | 24.14 |
| **Total** | **32.50** | **24.14** |

### Disclosure required under Sec 186(4) of the Companies Act 2013

### Details of loans and advances given to related parties are as follows:

| Related party | As at March 31, 2024 | | As at March 31, 2023 | | Repayment Terms |
|---|---|---|---|---|---|
| | Non-Current | Current | Non-Current | Current | |
| Beepee Coatings Private Limited | 32.50 | 4.00 | 24.14 | – | Loan of ₹12 crores granted at an interest rate of 5.85% per annum for a period of 5 years. The borrower will repay the loan in semi-annual equal installments commencing from the end of 2.5 years with an initial moratorium of 2 years.<br>Loan of ₹24.50 crores granted at an interest rate of 8.00% per annum for a period of 10 years. The borrower will repay the loan in equal annual installments commencing from the end of 3rd year with an initial moratorium of 2 years.<br>The borrower shall pay the accrued interest on the above loans on a quarterly basis on the outstanding value of the loan. |

The above loan is unsecured and utilised by the subsidiary for its business activities.

## Notes to Standalone Financial Statements (contd.)

### Note 10. Non-current financial assets - Other financial assets

(Unsecured, considered good unless otherwise stated)

₹ in Crores

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **At amortised cost** | | |
| Security deposits* @ | 21.73 | 17.96 |
| Bank Deposits with maturity of more than twelve months** | 0.39 | 24.22 |
| Subsidy receivable @@ | 73.94 | 81.65 |
| **Total** | **96.06** | **123.83** |

*Refer Note 49b for security deposits given to related parties.

**Includes deposits pledged against Bank Guarantees.

@ Security Deposits include deposits on account of rent and electricity.

@@The Company has subsidy receivable under various Incentive Schemes/Packages of State Government and Government of India applicable to eligible units. The same is expected to be received beyond operating cycle.

### Note 11. Income Tax assets (net)

₹ in Crores

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Advance payment of income tax [Net of provision for tax of ₹1623.25 crores (March 31, 2023 - ₹1,508.76 crores)] | 36.21 | 61.57 |
| **Total** | **36.21** | **61.57** |

### Note 12. Other non-current assets

(Unsecured, considered good unless otherwise stated)

₹ in Crores

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Capital advances | 7.19 | 20.13 |
| Prepayments | 0.05 | 0.10 |
| Balances with statutory/government authorities # | 6.83 | 5.57 |
| **Total** | **14.07** | **25.80** |

# Includes payments made to various Government Authorities under protest relating to certain indirect tax matters / demand of lease rentals.

### Note 13. Inventories

(at lower of cost and net realisable value)

₹ in Crores

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Raw materials [Including in-transit ₹94.38 crores (March 31, 2023 - ₹101.73 crores)] | 621.16 | 631.73 |
| Packing materials | 38.19 | 42.05 |
| Work in progress | 134.37 | 129.41 |
| Finished goods | 1,078.51 | 1,167.32 |
| Stock-in-trade | 125.54 | 155.13 |
| Stores and Spares | 21.66 | 20.46 |
| **Total** | **2,019.43** | **2,146.10** |

The Company has recognised income/ (expenses) of ₹9.35 crores [March 31, 2023- ₹3.99 crores] (net of reversal) in respect of write down of inventory to net realisable value, slow moving, damaged and obsolete items.

Also refer Note 27 for information on inventories pledged as security.



Notes to Standalone Financial Statements (contd.)

### Note 14. Current financial assets - Investments

₹ in Crores

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **At fair value through profit or loss (FVTPL):** | | |
| Investments in Mutual Funds - Unquoted | 51.35 | 26.13 |
| **Aggregate amount of Unquoted Investments** | **51.35** | **26.13** |

Refer Note 51 for determination of fair value.

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | Units (In nos.) | Amount (in Crores) | Units (In nos.) | Amount (in Crores) |
| **At fair value through profit or loss (FVTPL):** | | | | |
| Investments in Mutual Funds - Unquoted | | | | |
| Aditya Birla Sun Life Money Manager Fund - Growth - Direct Plan | 5,95,238.19 | 20.29 | – | – |
| Kotak Liquid Fund Direct Plan Growth | 30,784.05 | 15.02 | – | – |
| Tata Money Market Fund Direct Plan - Growth | 22,951.37 | 10.02 | – | – |
| Tata Liquid Fund Direct Plan - Growth | 15,766.33 | 6.01 | – | – |
| Franklin India Short Term Income Plan - Retail Plan - Direct Plan - Growth | 18.52 | 0.01 | – | – |
| ICICI Prudential Liquid Fund - Direct Plan - Growth | – | – | 2,40,252.25 | 8.01 |
| HDFC Liquid Fund - Direct Plan - Growth Option | – | – | 13,573.27 | 6.01 |
| SBI Liquid Fund - Direct - Growth | – | – | 14,200.00 | 5.01 |
| LIC MF Liquid Fund - Direct Plan - Growth | – | – | 12,238.24 | 5.00 |
| Aditya Birla Sunlife Liquid Fund - Growth - Direct Plan | – | – | 28,761.81 | 1.04 |
| UTI Liquid Cash Plan - Direct Plan Growth | – | – | 1,755.97 | 0.65 |
| Franklin India Short Term Income Plan - Retail Plan - Direct Plan - Growth | – | – | 668.22 | 0.33 |
| Franklin India Short term Income Plan - Retail Plan-Direct-Segregated Portfolio 2 | – | – | 6,469.15 | 0.06 |
| UTI Liquid Cash Plan - Direct Plan Growth | – | – | 37.40 | 0.01 |
| Kotak Liquid - Direct Plan - Growth | – | – | 20.66 | 0.01 |
| UTI Liquid Cash Plan - Direct Plan Growth* | – | – | 6.66 | 0.00 |
| **Aggregate amount of Unquoted Investments** | | **51.35** | | **26.13** |

* Refer Note 57

## Notes to Standalone Financial Statements (contd.)

### Note 15. Current financial assets-Trade receivables

₹ in Crores

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **At amortised cost** | | |
| Unsecured | | |
| Considered good # | 979.39 | 970.80 |
| Credit impaired | 25.60 | 31.83 |
| Less: Allowance for credit impaired trade receivables | (25.60) | (31.83) |
| **Total** | **979.39** | **970.80** |

₹ in Crores

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **# Includes debts due from related parties** | | |
| Berger Jenson & Nicholson (Nepal) Private Limited | 1.82 | 9.31 |
| Berger Becker Coatings Private Limited | 7.16 | 3.14 |
| Berger Nippon Paint Automotive Coatings Private Ltd. | 21.49 | 24.17 |
| Berger Paints Overseas Limited | 0.24 | 0.06 |
| Berger Rock Paints Private Limited | 10.69 | 12.58 |
| Berger Hesse Wood Coatings Private Limited | 1.01 | 0.79 |
| Berger Paints (Bangladesh) Limited | 0.02 | 0.02 |
| Shalimar Tar Products Limited | 0.01 | 0.01 |
| Mrs Sunaina Kohli* | – | 0.00 |
| Bolix S.A | 0.11 | 0.11 |

(i) Trade receivables are non-interest bearing and generally have credit period between 30 to 90 days.

(ii) For terms and conditions relating to related party receivables, refer Note 49.

(iii) Refer Note 52 for movement in expected credit loss allowance on trade receivables.

* Refer Note 57

#### Trade Receivables Ageing Schedule

₹ in Crores

| Particulars | Current but not due | Outstanding as on March 31, 2024 from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | Less than 6 Months | 6 months 1 year | 1-2 years | 2-3 years | More than 3 years | |
| **Undisputed Trade Receivables** | | | | | | | |
| Considered good | 789.05 | 150.89 | 19.96 | 13.34 | 2.53 | 3.62 | 979.39 |
| Credit impaired | 1.47 | 1.81 | 1.51 | 8.11 | 4.32 | 1.75 | 18.97 |
| **Disputed Trade Receivables** | | | | | | | |
| Credit impaired | 0.45 | 0.09 | 1.33 | 2.83 | 1.36 | 0.57 | 6.63 |

₹ in Crores

| Particulars | Current but not due | Outstanding as on March 31, 2023 from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | Less than 6 Months | 6 months 1 year | 1-2 years | 2-3 years | More than 3 years | |
| **Undisputed Trade Receivables** | | | | | | | |
| Considered good | 770.49 | 128.95 | 22.59 | 34.82 | 10.82 | 3.13 | 970.80 |
| Credit impaired | 5.84 | 2.73 | 4.24 | 4.34 | 7.04 | 2.30 | 26.49 |
| **Disputed Trade Receivables** | | | | | | | |
| Credit impaired | 0.41 | 0.60 | 0.62 | 1.48 | 1.11 | 1.12 | 5.34 |

Note: There are no unbilled dues as on each reporting date.



Notes to Standalone Financial Statements (contd.)

### Note 16. Current Financial assets - Cash and Cash Equivalents

₹ in Crores

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **At amortised cost** | | |
| Balances with banks: | | |
| – On current accounts | 144.92 | 55.03 |
| – Deposits with original maturity of less than three months # | 4.00 | 1.25 |
| Cheques/drafts on hand | 2.11 | 0.42 |
| Cash on hand | 0.17 | 0.17 |
| **Total** | **151.20** | **56.87** |

# Deposits made for period upto three months, depending on the immediate cash requirements of the Company, and it earns interest in the range of 1.75% to 5.50% p.a (March 31, 2023- 1.75 % to 4.50% p.a).

### Note 17. Current Financial Assets - Other bank balances

₹ in Crores

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **At amortised cost** | | |
| Other bank balances: | | |
| – Balance in Unpaid Dividend Account @ | 4.35 | 4.71 |
| – Deposits with maturity of not less than three months but not more than twelve months ## | 178.69 | 112.89 |
| **Total** | **183.04** | **117.60** |

@ Earmarked for payment of Unclaimed Dividend.

## Deposits with Banks earn interest between 7.25% to 7.95% p.a (March 31, 2023- 5.30% to 7.75% p.a) and are made for periods between three to twelve months (March 31, 2023 - periods varying between three to twelve months).

### Note 18. Current Financial Assets - Loans

(Unsecured, considered good unless otherwise stated)

₹ in Crores

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **At amortised cost** | | |
| Loan to a subsidiary (Refer Note 9 and 49b) | 4.00 | – |
| **Total** | **4.00** | **–** |

### Note 19. Current Financial Assets - Other financial assets

(Unsecured, considered good unless otherwise stated)

₹ in Crores

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **At amortised cost** | | |
| Security deposits* @ | 4.92 | 7.93 |
| Deposits with maturity of more than twelve months ## | 23.85 | – |
| Interest accrued on deposits | 6.92 | 3.76 |
| Subsidy receivable # | 32.48 | 34.30 |
| Other receivables ** | 2.19 | 6.54 |
| **Total** | **70.36** | **52.53** |

*Refer Note 49b for security deposits given to related parties.

## Deposits with Banks earn interest between 5.25% to 7.30% p.a and are made for periods of more than twelve months.

@ Security deposits include deposits on account of rent, tender and combined contracts.

# The Company has subsidy receivable under various Incentive Schemes/Packages of State Government and Government of India applicable to eligible units.

## Notes to Standalone Financial Statements (contd.)

### Note 19. Current Financial Assets - Other financial assets (contd.)

** Includes receivable from following related parties (Refer Note 49b):

₹ in Crores

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Berger Paints (Bangladesh) Limited | 0.29 | 0.25 |
| Berger Jenson & Nicholson (Nepal) Private Limited | 1.48 | 6.02 |
| Berger Rock Paints Private Limited | 0.18 | 0.05 |
| **Total** | **1.95** | **6.32** |

### Note 20. Other current assets

(Unsecured, considered good unless otherwise stated)

₹ in Crores

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Advances other than capital advances | 14.52 | 26.70 |
| Prepayments | 18.51 | 18.53 |
| Balances with statutory/government authorities * | 132.07 | 184.95 |
| **Total** | **165.10** | **230.18** |

* Includes balance of goods and service tax.

### Note 21. Equity Share Capital

₹ in Crores

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Authorised Share Capital** | | |
| 1,20,00,00,000 Equity Shares of ₹1 each (March 31, 2023: 1,20,00,00,000 Equity Shares of ₹1 each) | 120.00 | 120.00 |
| **Issued Share Capital** | | |
| 1,16,58,87,529 Equity Shares of ₹1 each fully paid up (March 31, 2023: 97,15,13,965 Equity Shares of ₹1 each fully paid up) | 116.59 | 97.15 |
| **Subscribed and Paid-up Share Capital** | | |
| 1,16,57,96,049 Equity Shares of ₹1 each fully paid up (March 31, 2023: 97,14,22,485 Equity Shares of ₹1 each fully paid up) | 116.58 | 97.14 |

**a) The reconciliation of share capital is given below:**

| | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| **Particulars** | **No. of Shares** | **₹ in Crores** | **No. of Shares** | **₹ in Crores** |
| At the beginning of the year | 97,14,22,485 | 97.14 | 97,13,23,489 | 97.13 |
| Add: Shares issued on exercise of Employee Stock Options (Refer Note 46) | 89,067 | 0.01 | 98,996 | 0.01 |
| Add: Bonus Shares issued (Refer Note c in the following page) | 19,42,84,497 | 19.43 | – | – |
| **At the end of the year** | **1,16,57,96,049** | **116.58** | **97,14,22,485** | **97.14** |





**b) Terms/Rights attached to equity shares**

The Company has only one class of equity shares having a par value of ₹1 each. Holder of each equity share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**c) Bonus Shares issued during the current financial year**

On September 25, 2023, the Company had allotted 19,42,84,497 bonus shares of Rupee one each (fully paid up) in the proportion of 1 bonus share for every 5 fully paid up equity shares to eligible shareholders whose names appeared in the Register of Members as on September 23, 2023, being the record date fixed for this purpose, in accordance with approval received from the Members by way of postal ballot, result of which was declared on September 08, 2023. The said bonus shares rank pari passu in all respects with the existing equity shares of the Company, including dividend. As a result of the bonus issue, the paid-up capital of the Company increased to ₹116.57 crores from ₹97.14 crores. The paid-up capital on account of bonus issue of ₹19.43 crores has been appropriated from securities premium.

Equity shares allotted as fully paid-up bonus shares during the period of five years immediately preceding the balance sheet date.

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| | **No. of Shares** | **No. of Shares** |
| Bonus Shares issued in FY 2023-24 | 19,42,84,497 | – |

**d) Equity shares held by the holding company and/or the subsidiaries/associates of holding company**

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| U K Paints (India) Private Limited (Ultimate Holding Company) | 58,40,35,478 | 48,66,65,399 |
| Jenson & Nicholson (Asia) Limited (Fellow Subsidiary) | 16,87,88,138 | 14,06,56,782 |
| Citland Commercial Credits Limited (Fellow Subsidiary) | 3,70,98,790 | 3,09,15,659 |
| Wang Investment & Finance Pvt. Ltd. (Fellow Subsidiary) | 3,59,82,696 | 2,99,85,580 |
| Bigg Investment & Finance Pvt. Ltd. (Fellow Subsidiary) | 95,42,904 | 79,52,420 |

**e) Details of shareholders holding more than 5 percent of equity shares in the Company**

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | **No. of Shares** | **% holding** | **No. of Shares** | **% holding** |
| U K Paints (India) Private Limited (Ultimate Holding Company) | 58,40,35,478 | 50.10% | 48,66,65,399 | 50.10% |
| Jenson & Nicholson (Asia) Limited (Fellow Subsidiary) | 16,87,88,138 | 14.48% | 14,06,56,782 | 14.48% |

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares as declared under the relevant provisions of the Companies Act , 2013.

**f) Shares reserved for issue under Employee Stock Options:**

For movement of shares reserved for issue under the Employee Stock Option Plan (ESOP) of the Company, refer Note 46.

**g)** The Company has not issued any shares pursuant to any contract without payment being received in cash.

The Company has not bought back any shares.

## Notes to Standalone Financial Statements (contd.)

### (h) Details of shares held by promoters

**Equity shares of ₹1 each fully paid up**

| Promoter Name | As at March 31, 2024 | | | | |
|---|---|---|---|---|---|
| | No. of shares at the beginning of the year | Change during the year (Refer Note c in the previous page) | No. of shares at the end of the year | % of total shares | % change during the year |
| Anshana Sawhney | 6,00,000 | 1,20,000 | 7,20,000 | 0.06 | 20.00 |
| Bigg Investments & Finance Private Limited | 79,52,420 | 15,90,484 | 95,42,904 | 0.82 | 20.00 |
| Citland Commercial Credits Limited | 3,09,15,659 | 61,83,131 | 3,70,98,790 | 3.18 | 20.00 |
| Dipti Dhingra | 1,31,712 | 26,342 | 1,58,054 | 0.01 | 20.00 |
| Gurbachan Singh Dhingra | 44,48,888 | 8,89,777 | 53,38,665 | 0.46 | 20.00 |
| GBS Dhingra Family Trust | 59,11,683 | 11,82,336 | 70,94,019 | 0.61 | 20.00 |
| Jenson & Nicholson (Asia) Limited | 14,06,56,782 | 2,81,31,356 | 16,87,88,138 | 14.48 | 20.00 |
| Jessima Kumar | 6,00,000 | 1,20,000 | 7,20,000 | 0.06 | 20.00 |
| Kanwardip Singh Dhingra | 7,00,000 | 1,40,000 | 8,40,000 | 0.07 | 20.00 |
| Kuldip Singh Dhingra | 55,15,071 | 11,03,014 | 66,18,085 | 0.57 | 20.00 |
| KSD Family Trust | 83,12,140 | 16,62,428 | 99,74,568 | 0.86 | 20.00 |
| Meeta Dhingra | 9,99,999 | 1,99,999 | 11,99,998 | 0.10 | 20.00 |
| Rishma Kaur | 6,00,000 | 1,20,000 | 7,20,000 | 0.06 | 20.00 |
| Sunaina Kohli | 6,00,000 | 1,20,000 | 7,20,000 | 0.06 | 20.00 |
| U K Paints (India) Private Limited | 48,66,65,399 | 9,73,70,079 | 58,40,35,478 | 50.10 | 20.01 |
| Vinu Dhingra | 38,98,368 | 7,79,673 | 46,78,041 | 0.40 | 20.00 |
| Wang Investment & Finance Private Limited | 2,99,85,580 | 59,97,116 | 3,59,82,696 | 3.09 | 20.00 |
| **Total** | **72,84,93,701** | **14,57,35,735** | **87,42,29,436** | **74.99** | |

**Equity shares of ₹1 each fully paid up**

| Promoter Name | As at March 31, 2023 | | | | |
|---|---|---|---|---|---|
| | No. of shares at the beginning of the year | Change during the year | No. of shares at the end of the year | % of Total Shares | % change during the year |
| Anshana Sawhney | 6,00,000 | – | 6,00,000 | 0.06 | – |
| Bigg Investments & Finance Private Limited | 79,52,420 | – | 79,52,420 | 0.82 | – |
| Citland Commercial Credits Limited | 3,09,15,659 | – | 3,09,15,659 | 3.18 | – |
| Dipti Dhingra | 1,31,712 | – | 1,31,712 | 0.01 | – |
| Gurbachan Singh Dhingra | 44,48,888 | – | 44,48,888 | 0.46 | – |
| GBS Dhingra Family Trust | 59,11,683 | – | 59,11,683 | 0.61 | – |
| Jenson & Nicholson (Asia) Limited | 14,06,56,782 | – | 14,06,56,782 | 14.48 | – |
| Jessima Kumar | 6,00,000 | – | 6,00,000 | 0.06 | – |
| Kanwardip Singh Dhingra | 7,00,000 | – | 7,00,000 | 0.07 | – |
| Kuldip Singh Dhingra | 55,15,071 | – | 55,15,071 | 0.57 | – |
| KSD Family Trust | 83,12,140 | – | 83,12,140 | 0.86 | – |
| Meeta Dhingra | 9,99,999 | – | 9,99,999 | 0.10 | – |
| Rishma Kaur | 6,00,000 | – | 6,00,000 | 0.06 | – |
| Sunaina Kohli | 6,00,000 | – | 6,00,000 | 0.06 | – |
| U K Paints (India) Private Limited | 48,65,45,399 | 1,20,000 | 48,66,65,399 | 50.10 | 0.02 |
| Vinu Dhingra | 38,98,368 | – | 38,98,368 | 0.40 | – |
| Wang Investment & Finance Private Limited | 2,99,85,580 | – | 2,99,85,580 | 3.09 | – |
| **Total** | **72,83,73,701** | **1,20,000** | **72,84,93,701** | **74.99** | |



Notes to Standalone Financial Statements (contd.)

## Note 22. Other equity

**For the year ended March 31, 2024**

₹ in Crores

| Particulars | Reserves & Surplus | | | | | | Total Equity |
|---|---|---|---|---|---|---|---|
| | Securities premium | Share based payment reserve | Retained earnings | Capital reserve | General reserve | Capital redemption reserve | |
| **As at April 1, 2023 (A)** | **127.47** | **4.58** | **3,775.33** | **0.02** | **290.61** | **0.04** | **4,198.05** |
| Profit for the year | – | – | 1,015.05 | – | – | – | 1,015.05 |
| Other comprehensive income for the year (net of tax) | – | – | 0.14 | – | – | – | 0.14 |
| **Total Comprehensive Income for the year (B)** | **–** | **–** | **1,015.19** | **–** | **–** | **–** | **1,015.19** |
| Share based payments (Note 46) | – | 6.04 | – | – | – | – | 6.04 |
| Exercise of share options (Note 46) | 5.17 | (5.17) | – | – | – | – | – |
| Share Options forfeited/lapsed (Note 46) | – | (0.33) | – | – | – | – | (0.33) |
| Dividends (Note 33) | – | – | (310.86) | – | – | – | (310.86) |
| Bonus Shares (Note21) | (19.43) | – | – | – | – | – | (19.43) |
| **Total (C)** | **(14.26)** | **0.54** | **(310.86)** | **–** | **–** | **–** | **(324.58)** |
| **As at March 31, 2024 (A+B+C)** | **113.21** | **5.12** | **4,479.66** | **0.02** | **290.61** | **0.04** | **4,888.66** |

**For the year ended March 31, 2023**

₹ in Crores

| Particulars | Reserves & Surplus | | | | | | Total Equity |
|---|---|---|---|---|---|---|---|
| | Securities premium | Share based payment reserve | Retained earnings | Capital reserve | General reserve | Capital redemption reserve | |
| **As at April 1, 2022 (A)** | **120.72** | **6.77** | **3,248.60** | **0.02** | **290.61** | **0.04** | **3,666.76** |
| Profit for the year | – | – | 828.39 | – | – | – | 828.39 |
| Other comprehensive income for the year (net of tax) | – | – | (0.55) | – | – | – | (0.55) |
| **Total Comprehensive Income for the year (B)** | **–** | **–** | **827.84** | **–** | **–** | **–** | **827.84** |
| Share based payments (Note 46) | – | 5.93 | – | – | – | – | 5.93 |
| Exercise of share options (Note 46) | 6.75 | (6.75) | – | – | – | – | – |
| Share Options forfeited/lapsed (Note 46) | – | (1.37) | – | – | – | – | (1.37) |
| Dividends (Note 33) | – | – | (301.11) | – | – | – | (301.11) |
| **Total (C)** | **6.75** | **(2.19)** | **(301.11)** | **–** | **–** | **–** | **(296.55)** |
| **As at March 31, 2023 (A+B+C)** | **127.47** | **4.58** | **3,775.33** | **0.02** | **290.61** | **0.04** | **4,198.05** |

**Notes:**

**Securities premium -** Premium received on equity shares issued including those under Employee Stock Option plan are recognised in the securities premium account net of utilization for bonus shares issued. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

## Notes to Standalone Financial Statements (contd.)

### Note 22. Other equity (contd.)

**Retained earnings -** Retained earnings includes surplus in the Statement of Profit and Loss, Ind AS related adjustments as on the date of transition, remeasurement gains/ losses on defined benefit plans less any transfer to general reserve, dividends or other distributions paid to shareholders.

**General reserve -** Under the erstwhile Indian Companies Act 1956, a general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations, to ensure that if a dividend distribution in a given year is more than 10% of the paid up capital of the Company for that year, the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

**Share based payment reserve -** The Company has an employee stock option plan (ESOP) under which options to subscribe for the Company's shares have been granted to specific employees. The Share based payment reserve is used to recognise the value of equity-settled share-based payments to employees as part of their remuneration. The year end balance is net off options exercised by the concerned employees. Refer to Note 46 for further details of these plans.

**Capital redemption reserve -** Represents amount equal to the face value of equity shares transferred at the time of buy-back of shares in earlier years.

**Capital Reserve -** Includes profit on re-issue of forfeited shares.

### Note 23. Other Non-current Financial Liabilities

₹ in Crores

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **At amortised cost** | | |
| Deposits @ | 69.59 | 71.60 |
| | **69.59** | **71.60** |

@ Includes deposits from distributor, franchisee and on account of colourbank machines.

### Note 24. Non current Provisions

₹ in Crores

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Provision for decommissioning # | 4.64 | 4.29 |
| | **4.64** | **4.29** |
| **Provision for decommissioning** | | |
| At the beginning of the year | 4.29 | 3.98 |
| Discount unwinding for the year | 0.35 | 0.31 |
| At the end of the year | **4.64** | **4.29** |

# Recognised towards provision for decommissioning /dismantling of Property, Plant and Equipment on leasehold lands.



Notes to Standalone Financial Statements (contd.)

### Note 25. Deferred tax assets & liabilities (net)

₹ in Crores

| Particulars | Balance as at April 01, 2023 | Recognised/ (reversed) in profit and loss during the year | Recognised/ (reversed) in other comprehensive income during the year | Balance as at March 31, 2024 |
|---|---|---|---|---|
| **Deferred tax liabilities in relation to:** | | | | |
| Temporary differences on depreciable assets | 73.77 | 19.69 | – | 93.46 |
| Financial Assets at fair value through profit and loss | 0.02 | 0.05 | – | 0.07 |
| Right-of-use assets under Ind AS 116 | 87.51 | 30.71 | – | 118.22 |
| **Total (A)** | **161.30** | **50.45** | **–** | **211.75** |
| **Deferred tax assets in relation to:** | | | | |
| Expenses allowable on payment basis for tax purposes | 34.39 | 6.12 | – | 40.51 |
| Decommissioning liability | 1.08 | 0.09 | – | 1.17 |
| Others through other comprehensive income | 3.46 | – | (0.04) | 3.42 |
| Lease liabilities under Ind AS 116 | 96.80 | 32.79 | – | 129.59 |
| **Total (B)** | **135.73** | **39.00** | **(0.04)** | **174.69** |
| **Net deferred tax assets/(liabilities)** | **(25.57)** | **11.45** | **0.04** | **(37.06)** |
| **Disclosed as Deferred tax liabilities (net)** | **(25.57)** | | | **(37.06)** |

₹ in Crores

| Particulars | Balance as at April 01, 2022 | Recognised/ (reversed) in profit and loss during the year | Recognised/ (reversed) in other comprehensive income during the year | Balance as at March 31, 2023 |
|---|---|---|---|---|
| **Deferred tax liabilities** | | | | |
| Temporary differences on depreciable assets | 51.18 | 22.59 | – | 73.77 |
| Financial Assets at fair value through profit and loss | 0.21 | (0.19) | – | 0.02 |
| Right-of-use assets under Ind AS 116 | 68.83 | 18.68 | – | 87.51 |
| **Total (A)** | **120.22** | **41.08** | **–** | **161.30** |
| **Deferred tax assets** | | | | |
| Expenses allowable on payment basis for tax purposes | 13.40 | 20.99 | – | 34.39 |
| Decommissioning liability | 1.00 | 0.08 | – | 1.08 |
| Others through other comprehensive income | 3.27 | – | 0.19 | 3.46 |
| Lease liabilities under Ind AS 116 | 79.37 | 17.43 | – | 96.80 |
| **Total (B)** | **97.04** | **38.50** | **0.19** | **135.73** |
| **Net deferred tax assets/(liabilities)** | **(23.18)** | **2.58** | **(0.19)** | **(25.57)** |
| **Disclosed as Deferred tax liabilities (net)** | **(23.18)** | | | **(25.57)** |

## Notes to Standalone Financial Statements (contd.)

### Note 25. Deferred tax assets & liabilities (net) (contd.)

**Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:**

₹ in Crores

| Particulars | Year Ended March 31, 2024 | Year Ended March 31, 2023 |
|---|---|---|
| **Accounting Profit before Income tax** | **1,367.46** | **1,102.72** |
| Profit before income tax multiplied by standard rate of corporate tax in India of 25.168% (March 31, 2023: 25.168 %) | 344.16 | 277.53 |
| Effects of: | | |
| Additional deduction allowed in respect of R&D Expenditure | (0.88) | (1.41) |
| Disallowance of CSR expenditure | 5.23 | 4.85 |
| Other miscellaneous disallowances/(allowance) | 3.90 | (6.64) |
| **Net effective income tax** | **352.41** | **274.33** |
| Tax expense reported in the Statement of Profit and Loss | | |
| Current tax | 340.96 | 271.75 |
| Deferred Tax charge | 11.45 | 2.58 |
| | **352.41** | **274.33** |

### Note 26. Non-current liabilities - Others

₹ in Crores

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Other liabilities | 10.11 | 1.60 |
| **Total** | **10.11** | **1.60** |

### Note 27. Current Financial liabilities-Borrowings

₹ in Crores

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **At amortised cost** | | |
| **Secured** | | |
| **From banks** | | |
| Cash credit (Refer Note 1 below) | 4.41 | 0.43 |
| Working Capital Demand Loan from Bank (Refer Note 2 in the following page) | 60.00 | 516.27 |
| **Unsecured** | | |
| Working Capital Demand Loan from Bank (Refer Note 3 in the following page) | – | 158.00 |
| **Total** | **64.41** | **674.70** |

**Note- 1.** Cash Credits from banks are secured by way of first charge on book debts, stock and other current assets ranking pari passu between the lenders (first pari passu charge over entire current assets). Cash Credit is repayable on demand and carries interest of 9.27-9.55% per annum (March 31, 2023: 7.62 % per annum).



Notes to Standalone Financial Statements (contd.)

### Note 27. Current Financial liabilities-Borrowings (contd.)

**Note-2.** Secured Working Capital Demand Loan carried an interest at 7.90% per annum as at March 31, 2024 (March 31, 2023: 6.73%-8.70% per annum) and are repaid within the maturity period of 2-69 days. Working Capital Demand Loan is secured by hypothecation of stock and book debts.

**Note-3.** Unsecured Working Capital Demand Loan carried an interest: Nil as at March 31, 2024 (March 31, 2023: 6.73%-8.70% per annum and are repaid within the maturity period of 12-69 days).

**Note-4.** Details of discrepancies between quarterly returns/statements of current assets filed by the Company with banks and books of accounts are as follows:

₹ in Crores

| Quarter | Name of bank | Particulars | Amount as per books of account (A) | Amount as reported in the quarterly return/ statements (B) | Difference (A) - (B) [Refer Note (b)] |
|---|---|---|---|---|---|
| June 2023 | Refer Note (a) below | Inventories | 2,013.66 | 1,976.95 | 36.71 |
| June 2023 | | Trade Receivables | 1,108.86 | 1,150.38 | (41.52) |
| June 2023 | | Trade Payables | 1,674.97 | 1,686.97 | (12.00) |
| September 2023 | | Trade Payables | 1,675.69 | 1,676.69 | (1.00) |
| December 2023 | | Inventories | 1,926.96 | 1,919.12 | 7.84 |

Note (a): The Company has submitted stock statements to Axis bank, BNP Paribas, DBS bank, Federal bank, HDFC bank, HSBC bank, ICICI bank, IndusInd bank, JP Morgan, RBL bank, Standard Chartered bank, Yes bank, South Indian bank, Kotak Mahindra bank and State Bank of India.

Note (b): Quarterly returns/statements submitted to banks were prepared and filed on the basis of provisional books/ financial statements.

**Note-5. Changes in liabilities arising from financing activities**

₹ in Crores

| Particulars | April 1, 2023 | Cash flows (Net) | Leases (Net) | Others # | March 31, 2024 |
|---|---|---|---|---|---|
| **Current Borrowings** | | | | | |
| Cash credit (net) | 0.43 | 3.98 | – | – | **4.41** |
| Working Capital Demand Loan from Bank | 674.27 | (614.27) | – | – | **60.00** |
| **Current & Non-Current Lease Liability (Refer Note 47)** | **384.61** | **(145.94)** | **242.90** | **33.34** | **514.91** |

₹ in Crores

| Particulars | April 1, 2022 | Cash flows (Net) | Leases (Net) | Others # | March 31, 2023 |
|---|---|---|---|---|---|
| **Current Borrowings** | | | | | |
| Cash credit (net) | 0.56 | (0.13) | – | – | **0.43** |
| Working Capital Demand Loan from Bank | – | 674.27 | – | – | **674.27** |
| Commercial paper | 515.00 | (515.00) | – | – | **–** |
| **Current & Non-Current Lease Liability (Refer Note 47)** | **315.37** | **(90.88)** | **131.92** | **28.20** | **384.61** |

# It includes accretion of interest.

## Notes to Standalone Financial Statements (contd.)

### Note 28. Current financial liabilities - Trade Payables

₹ in Crores

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **At Amortised cost** | | |
| Total outstanding dues of micro enterprises and small enterprises (Refer Note 28.1 below) | 56.07 | 97.46 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | | |
| (i) Acceptances # | 196.43 | 176.69 |
| (ii) Outstanding other than Acceptances [includes ₹64.41 crores (March 31, 2023: ₹72.69 crores) payable to related parties] (Refer Note 49b) | 1,314.69 | 1,400.19 |
| **Total** | **1,567.19** | **1,674.34** |

# Acceptances include arrangements where operational suppliers of goods and services are initially paid by banks while the Company continues to recognise the liability till settlement with the banks which are normally effected within a period of 90 days.

### 28.1. Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under to the extent the Company has received intimation from the suppliers regarding their status under the Act

₹ in Crores

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Principal amount remaining unpaid at the end of the year * | 48.24 | 90.43 |
| Interest due thereon remaining unpaid at the end of the year | 8.79 | 7.90 |
| | **57.03** | **98.33** |
| Delayed payment of Principal amount paid beyond appointed date during the entire financial year | 149.38 | 364.85 |
| Interest actually paid under Section 16 of the Act during the entire accounting year | – | – |
| Amount of Interest due and payable for the period of delay in making the payment (which have been paid but beyond the appointed day during the year) but without adding interest specified under this Act | 0.89 | 2.31 |
| Amount of Interest due and payable for the period (where principal has been paid but interest under the MSMED Act not paid) | – | – |
| Interest accrued and remaining unpaid at the end of the year | 0.89 | 2.40 |
| The amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid to the Micro and Small Enterprises for the purpose of disallowances as deductible expenditure under Section 23 of this Act | 8.79 | 7.90 |

* Includes outstanding in respect of capital creditors as on March 31, 2024: ₹0.96 crore (March 31, 2023 : ₹0.87 crore as disclosed in Note 29.

#### Terms and conditions of the above trade payables:

Trade payables are non interest bearing and are normally settled on 45-90 days terms.

For terms and conditions of transactions with related parties, refer Note 49b.



Notes to Standalone Financial Statements (contd.)

### Note 28.1. (contd.)

#### Trade Payables Ageing Schedule

₹ in Crores

| Particulars | As at March 31, 2024 – Outstanding for following periods from due date of payment | | | | | | |
|---|---|---|---|---|---|---|---|
| | Unbilled Dues | Not Due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Total outstanding dues of micro enterprises and small enterprises | – | 47.28 | 0.89 | 2.40 | 1.02 | 4.48 | 56.07 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 421.37 | 978.02 | 89.71 | 3.48 | 13.14 | 5.40 | 1511.12 |

₹ in Crores

| Particulars | As at March 31, 2023 – Outstanding for following periods from due date of payment | | | | | | |
|---|---|---|---|---|---|---|---|
| | Unbilled Dues | Not Due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Total outstanding dues of micro enterprises and small enterprises | – | 76.37 | 15.55 | 1.04 | 1.66 | 2.84 | 97.46 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 429.01 | 984.08 | 142.21 | 14.34 | 2.07 | 5.17 | 1576.88 |

There are no outstanding disputed dues of micro enterprises and small enterprises and creditors other than micro enterprises and small enterprises.

### Note 29. Current financial liabilities-other financial liabilities

₹ in Crores

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **At amortised cost** | | |
| Interest accrued but not due | 2.07 | 1.37 |
| Unpaid Dividends (to be credited to Investor Education and Protection Fund as and when due) | 4.35 | 4.71 |
| Deposits @ | 32.73 | 35.35 |
| Capital creditors* | 38.36 | 21.33 |
| Accrued employee liabilities | 28.48 | 29.21 |
| Other payables | 0.27 | 0.23 |
| **Total** | **106.26** | **92.20** |

@ Includes deposit on account of tender, supply-apply contracts and colour bank machines.

* Includes outstanding dues of micro enterprises and small enterprises- ₹0.96 crore (March 31, 2023 : ₹0.87 crore [Refer Note 28.1]

### Note 30. Other current liabilities

₹ in Crores

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Advance from customers | 26.46 | 21.84 |
| Statutory liabilities | 84.45 | 82.29 |
| Other liabilities | 12.39 | 1.41 |
| **Total** | **123.30** | **105.54** |

## Notes to Standalone Financial Statements (contd.)

### Note 31. Current Provisions

₹ in Crores

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Provision for Gratuity (refer Note 45) | 5.37 | 5.83 |
| Provision for Leave encashment | 28.10 | 26.53 |
| Provision for Excise, Customs, Sales tax, GST, Service Tax (Refer Note below) | 22.67 | 20.08 |
| **Total** | **56.14** | **52.44** |

### Movement in Provision for Excise, Customs, Sales tax, GST, Service Tax:

₹ in Crores

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| At the beginning of the year | 20.08 | 6.92 |
| Additions | 4.93 | 13.16 |
| Utilization/ Reversal | (2.34) | – |
| **At the end of the year** | **22.67** | **20.08** |

The above provisions represent estimates made mainly for probable claims arising out of litigations/ disputes pending with authorities under various statutes (Excise duty,Customs duty, Sales Tax, GST and Service Tax).

### Note 32. Current tax liabilities (net)

₹ in Crores

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Provision for income tax [net of advance taxes of ₹911.46 crores (March 31, 2023 : ₹689.80 crores)] | 22.81 | 18.01 |
| **Total** | **22.81** | **18.01** |

### Note 33. Distribution made and proposed

₹ in Crores

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| **Dividends on equity shares declared and paid:** | | |
| Dividend for the year ended March 31, 2023- ₹3.20 per share (March 31, 2022 - ₹3.10 per share) | 310.86 | 301.11 |
| **Total** | **310.86** | **301.11** |
| **Proposed dividends on equity shares:** | | |
| Dividend for the year ended March 31, 2024- ₹3.50 per share (March 31, 2023 - ₹3.20 per share) | 408.03 | 310.86 |
| **Total** | **408.03** | **310.86** |

As at March 31, 2024, proposed dividend on equity shares are subject to approval in the ensuing Annual General Meeting. Pending such approval, proposed dividend has not been recognised in these financial statements.



Notes to Standalone Financial Statements (contd.)

### Note 34. Revenue from Operations

₹ in Crores

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| Revenue from contracts with customers | | |
| Sale of products (net of rebates and discounts) | 9,822.72 | 9,290.33 |
| Combined contracts | 84.83 | 30.74 |
| Other operating revenue | | |
| Sale of scrap | 21.58 | 22.07 |
| Income from government grant # | 54.96 | 113.30 |
| Others | 18.84 | 14.18 |
| **Total** | **10,002.93** | **9,470.62** |

# Income from Government grant represents subsidy recognized under various Incentive Schemes/Packages of State Government and Government of India applicable to eligible units. During the previous year, the Company has accounted for ₹55.55 crores towards GST subsidy under Industrial Investment Promotion Policy in respect of its manufacturing facilities in the state of Andhra Pradesh.

### 34. 1. Disaggregation of revenue from contracts with customers

₹ in Crores

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| **A. Revenue disaggregated based on nature of product or services** | | |
| **(i) Revenue from contracts with customers** | | |
| Revenue from sale of paints and allied products (net of rebates and discounts) * | 9,822.72 | 9,290.33 |
| Revenue from combined contracts ** | 84.83 | 30.74 |
| | **9,907.55** | **9,321.07** |
| **(ii) Other operating revenues** | | |
| Sale of scrap | 21.58 | 22.07 |
| Income from government grant | 54.96 | 113.30 |
| Others | 18.84 | 14.18 |
| | **95.38** | **149.55** |
| **Total** | **10,002.93** | **9,470.62** |
| **B. Revenue from contracts with customers disaggregated based on geography** | | |
| India | 9,883.18 | 9,294.85 |
| Outside India | 24.37 | 26.22 |
| **Total** | **9,907.55** | **9,321.07** |

* Revenue from sale of goods is recognised on transfer of control in the goods to customers at a point of time by performance of obligation towards delivery or as per customers' instruction. (Also refer Note 3.4).

** Revenue from combined contract represents revenue from supply apply contracts which are recognised at a point of time or over a period of time (as applicable), when such combined output is delivered to customers' satisfaction as per agreed milestones and customers acknowledge their obligation to pay for such output in accordance with terms and condition of underlying contracts. (Also refer Note 3.4).

The Company provides agreed upon performance warranty for selected range of products and services. The amount of liability towards such warranties are immaterial.

## Notes to Standalone Financial Statements (contd.)

### 34. 2. Reconciliaton of gross revenue with revenue from contracts with customers

₹ in Crores

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| Gross revenue | 11,756.04 | 11,052.29 |
| Less: rebates and discounts | 1,848.49 | 1,731.22 |
| **Net revenue recognised from contracts with customers** | **9,907.55** | **9,321.07** |

### Note 35. Other income

₹ in Crores

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| Interest Income | | |
| On deposits with banks carried at amortized cost | 11.66 | 7.66 |
| Others | 8.50 | 2.51 |
| Gain on early termination of leases | 3.20 | 3.53 |
| Insurance claim received | 0.55 | 1.57 |
| Dividend income from subsidiary and joint venture | 2.06 | 33.96 |
| Net gain on sale of mutual fund investments measured at FVTPL | 5.10 | 0.86 |
| Fair value gain on mutual fund investments measured at FVTPL | 0.22 | 0.06 |
| Discount Income | 2.54 | 3.11 |
| Arrangement Fees | 3.17 | 5.57 |
| Royalty Income | 2.62 | 3.60 |
| Corporate Guarantee Income | 0.05 | 0.33 |
| Gain on sale/discard of Property, plant and equipment* | 0.00 | – |
| Sundry balances written back | 5.11 | 3.19 |
| Miscellaneous income | 12.66 | 11.20 |
| **Total** | **57.44** | **77.15** |

*Refer Note 57

### Note 36. Cost of materials consumed

₹ in Crores

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| Raw materials Consumed | | |
| Opening Stock | 631.73 | 732.49 |
| Purchases | 4,309.97 | 4,433.89 |
| Closing stock | (621.16) | (631.73) |
| | **4,320.54** | **4,534.65** |
| Packing material Consumed | | |
| Opening Stock | 42.05 | 43.55 |
| Purchases | 695.15 | 734.72 |
| Closing stock | (38.19) | (42.05) |
| | **699.01** | **736.22** |
| **Cost of materials consumed** | **5,019.55** | **5,270.87** |



Notes to Standalone Financial Statements (contd.)

### Note 37. Purchases of stock-in-trade

₹ in Crores

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| Purchases of stock-in-trade * | 870.32 | 910.90 |
| **Total** | **870.32** | **910.90** |

* Represents traded goods.

### Note 38. (Increase)/decrease in inventories of finished goods, stock-in-trade and work-in-progress

₹ in Crores

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| **Opening Stock** | | |
| Work-in-progress | 129.41 | 133.19 |
| Finished goods | 1,167.32 | 1,095.92 |
| Stock-in-trade | 155.13 | 128.10 |
| | **1,451.86** | **1,357.21** |
| **Closing Stock** | | |
| Work-in-progress | 134.37 | 129.41 |
| Finished goods | 1,078.51 | 1,167.32 |
| Stock-in-trade | 125.54 | 155.13 |
| | **1,338.42** | **1,451.86** |
| **(Increase)/decrease in inventories of finished goods, stock-in-trade and work-in-progress** | **113.44** | **(94.65)** |

### Note 39. Employee benefits expense

₹ in Crores

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| Salaries, wages and bonus | 476.99 | 397.92 |
| Contribution to provident and other funds (Refer Note 45) | 26.00 | 23.41 |
| Share based payment to employees (Refer Note 46) | 5.71 | 4.56 |
| Staff welfare expenses | 28.57 | 32.23 |
| **Total** | **537.27** | **458.12** |

### Note 40. Finance Costs

₹ in Crores

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| Interest on borrowings | 25.90 | 52.64 |
| Interest on lease liabilities (Refer Note 47) | 33.34 | 28.20 |
| Unwinding of discount on provisions (Refer Note 24) | 0.35 | 0.31 |
| Interest Others | 5.07 | 5.13 |
| **Total** | **64.66** | **86.28** |

# Notes to Standalone Financial Statements (contd.)

## Note 41. Depreciation and amortization expense

₹ in Crores

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| Depreciation of property, plant and equipment (Refer Note 4) | 212.15 | 160.65 |
| Amortization of intangible assets (Refer Note 6) | 4.35 | 4.09 |
| Depreciation of right-of-use assets (Refer Note 47) | 80.49 | 69.26 |
| **Total** | **296.99** | **234.00** |

## Note 42. Other expenses

₹ in Crores

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| Freight and Forwarding Charges | 640.07 | 610.84 |
| Power and fuel | 66.29 | 60.23 |
| Consumption of stores and spare parts | 15.44 | 12.47 |
| Repairs | | |
| - Plant and machinery | 28.01 | 23.67 |
| - Building | 1.22 | 0.82 |
| - Others | 8.90 | 9.28 |
| Rent (Refer Note 47) | 11.32 | 9.06 |
| Advertisement and Sales Promotion Expenses | 420.34 | 312.58 |
| Processing Charges | 73.85 | 79.60 |
| Rates and Taxes | 9.01 | 23.37 |
| Travelling | 80.80 | 59.30 |
| Insurance | 10.77 | 9.09 |
| Foreign Exchange Loss (net) | 2.65 | 19.33 |
| Commission to Non-Executive Directors (Refer Note 49b) | 0.64 | 0.57 |
| Payment to Auditors (Refer Note 42.1) | 0.89 | 0.79 |
| Information Technology Expenses | 45.83 | 47.96 |
| Professional Fees | 22.05 | 11.64 |
| Retainership Fees | 7.75 | 6.93 |
| Provision for Bad Debts (including Bad Debts written off) | 12.89 | 19.43 |
| Office Upkeep | 107.26 | 84.49 |
| Clearing & Forwarding Expenses | 81.14 | 71.29 |
| Subcontractor expenses | 56.83 | 29.81 |
| Printing & Stationery | 6.20 | 5.66 |
| CSR expenditure (Refer Note 42.2) | 20.79 | 19.28 |
| Loss on sale/discard of Property, plant and equipment | – | 4.27 |
| Miscellaneous Expenses | 59.74 | 47.77 |
| **Total** | **1,790.68** | **1,579.53** |



# Notes to Standalone Financial Statements (contd.)

## Note 42. 1. Payment to Auditors

₹ in Crores

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| **As Auditor:** | | |
| Audit fees and limited review fees | 0.65 | 0.65 |
| **In other capacity:** | | |
| Miscellaneous certificates and other matters | 0.20 | 0.08 |
| Reimbursement of expenses | 0.04 | 0.06 |
| **Total** | **0.89** | **0.79** |

## Note 42. 2. Details of CSR expenditure

₹ in Crores

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| (a) Gross amount required to be spent by the Company during the year | 20.25 | 19.10 |
| (b) Amount approved by the Board to be spent during the year | 20.79 | 19.28 |

| Particulars | In cash | Yet to be paid in cash @ | Total |
|---|---|---|---|
| (c) Amount spent during the year ended March 31, 2024 # | | | |
| (i) Construction/Acquisition of an asset | – | – | – |
| (ii) Purposes other than (i) above | 20.79 | – | 20.79 |
| **Total** | **20.79** | **–** | **20.79** |
| (d) Amount spent during the year ended March 31, 2023 # | | | |
| (i) Construction/Acquisition of an asset | – | – | – |
| (ii) Purposes other than (i) above | 18.47 | 0.81 | 19.28 |
| **Total** | **18.47** | **0.81** | **19.28** |

# Corporate Social Responsibility expense of ₹20.79 Crores (March 31, 2023: ₹19.28 Crores) includes programme for promoting employment enhancing vocational skill programme named 'iTrain.

@ Represents CSR activity undertaken during the year for which contractual payment was made subsequent to the year-end.

In compliance with the provisions laid under Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 and Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021,there was no amount unspent for the year ended March 31, 2024. Amount available for set off in succeeding financial years ₹0.54 crore (March 31, 2023: ₹0.18 crore).

## Note 43. Earnings Per Share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

## Notes to Standalone Financial Statements (contd.)

### Note 43. Earnings Per Share (EPS) (contd.)

The following table reflects the income and earning per share data used in the basic and diluted EPS computations :

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| Net Profit after tax for calculation of Basic and Diluted Earnings Per Share (₹ in crores) (I) | | |
| Weighted average number of shares (II) | 1,015.05 | 828.39 |
| - Basic | 1,16,57,23,237 | 1,16,56,35,378 |
| - Diluted (refer note on effect of dilution below) | 1,16,58,68,269 | 1,16,57,67,126 |
| Earning per equity share [nominal value of ₹1 per share] [(I)/(II)] | | |
| - Basic | 8.71 | 7.11 |
| - Diluted | 8.71 | 7.11 |
| Effect of dilution: | | |
| Weighted average number of equity shares in calculating Basic Earnings Per Share | 1,16,57,23,237 | 1,16,56,35,378 |
| Dilution - Stock options granted under Employee stock option plan (Refer Note 46) | 1,45,032 | 1,31,748 |
| Weighted average number of equity shares in calculating diluted EPS | 1,16,58,68,269 | 1,16,57,67,126 |

There have been no other transactions involving Equity shares or potential Equity shares between the reporting date and the date of authorisation of these financial statements.

### Note 44. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets and liabilities affected in future periods.

#### (i) Judgements, Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur. In the process of applying the Company's accounting policies, management has made the following judgements, estimates and assumptions, which have the most significant effect on the amounts recognised in the Financial Statements.

#### (ii) Defined Employer Benefit plans (Refer Note 3.15)

The cost and the present value of the defined benefit gratuity plan and other post-employment leave encashment benefit are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in future. These include the determination of appropriate discount rate, estimating future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. For further details refer Note 45.



Notes to Standalone Financial Statements (contd.)

### Note 44. Significant accounting judgements, estimates and assumptions (contd.)

#### (iii) Fair value measurement of financial instruments (Refer Note 3.20)

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer Note 51 for further disclosures.

#### (iv) Depreciation on Property, Plant and Equipment (Refer Note 3.7)

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. The Company also considers the impact of health, safety and environmental legislation in its assessment of expected useful lives and estimated residual values.

#### (v) Impairment allowance on trade receivables (Refer Note 3.4)

The Company makes loss allowances for credit impaired debts based on an assessment of the recoverability of trade and other receivables. The identification of credit impaired debts enquires use of judgments and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and credit impaired debts expenses in the period in which such estimate has been changed.

#### (vi) Decommissioning Liability (Refer Note 3.7)

Decommissioning Liability has been recognised for items of property, plant and equipment built or installed on specified leasehold land the terms of which said leases include decommissioning of such assets on expiry of the lease prior to handing over to the lessor. The decommissioning costs as at the end of the lease period have been estimated based on current costs by the Company's own technical experts and have been escalated to the end of the leasehold period using suitable inflation factors. The said escalated cost as at the end of the lease period is now discounted to the present value of such liability by applying Company's weighted average cost of capital.

#### (vii) Impairment of Investment (Refer Note 3.13)

The carrying amount of the Company's investments are assessed at the end of each reporting period to determine whether there is any indication that an asset may be impaired. If any such indication exists, then the Company estimates the recoverable amount of the asset. The recoverable amount of the asset is computed as the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use. Such value is derived using valuation techniques (i.e. the Discounted Cash Flow (DCF) model), where future financial performance can be reliably estimated or management's best estimate of the estimated fair value of the carrying value of assets and liabilities, as appropriate. The inputs to the Discounted Cash Flow models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Key assumptions on which management has based its determination of recoverable amount includes estimated long term growth rates, weighted average cost of capital etc. Cash flow projections take into account past experience and represent management's best estimate about future developments. The risks in respect of climate-related matters are included as key assumptions where they materially impact the measure of recoverable amount. These assumptions have been included in the cash-flow forecasts in assessing value-in-use amount.

## Notes to Standalone Financial Statements (contd.)

### Note 44. Significant accounting judgements, estimates and assumptions (contd.)

The Company had undertaken an impairment assessment in respect of its investment in Lusako Trading Limited, STP Limited, Berger Paints (Cyprus) Limited and Berger Nippon Paint Automotive Coatings Private Limited.

The Management has determined following assumptions for impairment testing of investments:

| Related Assumptions | As at March 31, 2024 | As at March 31, 2023 | Approach used in determining Value |
|---|---|---|---|
| Weighted average Cost of capital % (WACC) before tax (discount rate) | 8.7% to 15.00% | 6.50% to 14.00% | It has been determined basis risk free rate of return adjusted for equity risk premium. |
| Long Term Growth Rate | 0% to 5% | 0% to 2% | Long term growth rate has been taken basis financial budgets and projections approved by the management which is in line with industry growth rate. |

The Company had in earlier years provided for impairment amounting to ₹71.40 crores in the carrying value of its investment in its wholly owned subsidiary, Berger Paints Cyprus Limited (BPCL) due to downturn in the Russian Economy and its corresponding impact on Company's ultimate wholly owned subsidiary Berger Paints Overseas Limited (BPOL), which were reflected in the consolidated financial position of the Company. The Company has made an assessment of the fair value less costs to sell of the investments in Berger Paints Overseas Limited taking into account management's best estimate of the estimated fair value less costs to sale of the carrying value of assets and liabilities of the above wholly owned subsidiary and basis such assessment no further impairment is required to be recognised in the current year.

**Sensitivity analysis of assumptions**

The Company had performed sensitivity analysis considering +/- 2% for each of the assumptions used and ensured that the valuation is appropriate and no impairment is required to be recognised.

**(viii) Revenue from combined contracts (Refer Note 3.4)**

The Company exercises judgement in estimating cost for recognizing revenue from combined contract with customers. Losses on onerous contracts (if any) are recognized in the financial statements.

### Note 45. Gratuity and other post-employment benefit plans

**(I) Defined benefit plans**

**(a) Gratuity (Funded)**

**(i)** The following table summarizes the components of net defined benefit expense towards gratuity recognised in the Statement of Profit and Loss and OCI and the funded status and amounts recognised in the Balance Sheet.

₹ in Crores

| | Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **(A)** | **Changes in the present value of defined benefit obligation** | | |
| | Present value of defined benefit obligation as at year beginning | 57.44 | 52.75 |
| | Current Service Cost | 5.02 | 5.02 |
| | Interest Cost | 3.91 | 3.53 |





## Notes to Standalone Financial Statements (contd.)

### Note 45. Gratuity and other post-employment benefit plans (contd.)

₹ in Crores

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Re-measurements (gains)/losses** | | |
| -Actuarial (gains)/losses arising from changes in financial assumptions | 0.35 | 1.04 |
| -Actuarial (gains)/losses arising from changes in demographic assumptions | – | 0.91 |
| -Actuarial (gains)/losses arising from changes in experience adjustments | (0.82) | (1.02) |
| Benefits Paid | (4.61) | (4.79) |
| **Present value of defined benefit obligation as at year end** | **61.29** | **57.44** |

₹ in Crores

| | Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **(B)** | **Changes in fair value of plan assets** | | |
| | Fair Value of Plan Assets as at year beginning | 51.61 | 48.39 |
| | Interest Income | 3.70 | 3.37 |
| | **Re-measurements gains/(losses)** | | |
| | -Return on plan assets greater/ (lesser) than discount rate | (0.29) | 0.19 |
| | Employer's Contribution | 5.52 | 4.45 |
| | Benefits Paid | (4.62) | (4.79) |
| | **Fair Value of Plan Assets as at year end** | **55.92** | **51.61** |

₹ in Crores

| | Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **(C)** | **Amounts Recognised in the Balance Sheet** | | |
| | Present value of defined benefit obligation at the year end | 61.29 | 57.44 |
| | Fair Value of the Plan Assets at the year end | 55.92 | 51.61 |
| | **Liability Recognised in the Balance Sheet** | **(5.37)** | **(5.83)** |

₹ in Crores

| | Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|---|
| **(D)** | **Expense recognised in the Statement of Profit and Loss:** | | |
| | Current service cost | 5.02 | 5.02 |
| | Net Interest Cost/(Income) | 0.21 | 0.16 |
| | **Net Cost Recognised in the Statement of Profit and Loss** | **5.23** | **5.18** |
| | **Expense recognised in Other Comprehensive Income:** | | |
| | Re-measurements gains/(losses) | 0.18 | (0.74) |
| | **Net Cost/(Income) Recognised in the Other Comprehensive Income** | **0.18** | **(0.74)** |

## Notes to Standalone Financial Statements (contd.)

### Note 45. Gratuity and other post-employment benefit plans (contd.)

**(ii)** The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

₹ in Crores

| Significant Actuarial Assumptions | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Discount Rate | 7.00% | 7.1% - 7.5% |
| Withdrawal Rate | | |
| - Management | 8.00% | 8.00% |
| - Officer | 15.00% | 15.00% |
| -Staff/worker | 3.00% | 3.00% |
| Salary increase | | |
| - Management | 7.00% | 7.00% |
| - Officer | 6.00% | 6.00% |
| -Staff/worker | 6.00% | 6.00% |
| Mortality Rate | Indian Assured Lives (Mortality 2006-08 modified) Ult | Indian Assured Lives (Mortality 2006-08 modified) Ult |

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

Assumptions regarding future mortality experience are set in accordance with the published statistics by the Actuary.

The discount rate is based on the government securities yield.

The Company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards.

**(iii) Plan Asset information:**

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Assets under scheme of insurance | 100% | 100% |

**(iv) A quantitative sensitivity analysis for significant assumptions are as shown below**

| Assumptions | As at March 31, 2024 Discount rate | | As at March 31, 2023 Discount rate | |
|---|---|---|---|---|
| Sensitivity Level | 1% increase | 1% decrease | 1% increase | 1% decrease |
| Impact on defined benefit obligation (₹ crores) | (3.29) | 3.67 | (3.10) | 3.45 |

| Assumptions | As at March 31, 2024 Future Salary | | As at March 31, 2023 Future Salary | |
|---|---|---|---|---|
| Sensitivity Level | 1% increase | 1% decrease | 1% increase | 1% decrease |
| Impact on defined benefit obligation (₹ crores) | 3.21 | (2.94) | 3.27 | (3.01) |



Notes to Standalone Financial Statements (contd.)

Note 45. Gratuity and other post-employment benefit plans (contd.)

**Impact on defined benefit obligation**

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation by one percentage, keeping all other actuarial assumptions constant. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

**(v) Risk Exposure**

**Impact on defined benefit obligation**

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation by one percentage, keeping all other actuarial assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The method and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

These plans typically expose the Company to actuarial risks such as: Investment Risk, Interest Risk, Longevity Risk and Salary Risk.

**Investment Risk:** The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

**Interest Risk:** A decrease in the government bond interest rate will increase the plan liability.

**Longevity Risk:** The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

**Salary Risk:** The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

**(vi) Defined Benefit Liability and Employer Contributions**

Since the employees gratuity fund is a defined benefit plan maintained by Life Insurance Corporation of India the return is generated from a pool of assets invested by them and any deficit in the liability and return on plan assets is funded by the Company on a yearly basis

**(vii)** The Company expects to contribute an amount to gratuity as specified in report by Fund custodian during the subsequent accounting year.

**(viii) Maturity profile of the defined benefit obligation**

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Weighted Average duration of the defined benefit obligation | 6 Years | 6 Years |

| Particulars | ₹ in Crores | ₹ in Crores |
|---|---|---|
| Within the next 12 months (next annual reporting period) | 7.33 | 6.26 |
| Between 2 and 5 years | 29.30 | 24.72 |
| Beyond 5 years | 27.81 | 53.25 |

## Notes to Standalone Financial Statements (contd.)

### Note 45. Gratuity and other post-employment benefit plans (contd.)

#### (b) Provident Fund

Provident Fund for certain eligible employees is administered by the Company through "Berger Paints Provident Fund (Covered)" as per the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952. The Rules for such a trust provide that in a provident fund set up by the employer, any shortfall in the rate of interest on member contributions as compared to the relevant rate of interest declared by the Government of India for this purpose will have to be met by the employer. Such provident fund would in effect be a defined benefit plan in accordance with the requirement of Ind AS 19 - Employee Benefits. The Actuary has carried out actuarial valuation of interest rate guarantee obligations as at the Balance Sheet date using Projected Unit Credit Method as outlined in the Professional Guidance Note 29 issued by the Institute of Actuaries of India. Based on such valuation, there is no future anticipated shortfall with regards to interest rate guarantee obligation of the Company as at the balance sheet date. Further during the year, the Company's contribution of ₹15.30 crores (March 31, 2023: ₹8.02 crores) to the Provident Fund Trust, has been expensed under "Contribution to Provident and Other Funds". Disclosures given hereunder are restricted to the information available as per the Actuary's report.

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Discount rate | 7.00% | 7.10% |
| Rate of return on Plan Assets | 8.10% | 8.10% |

#### (c) Other Defined Benefit Plans

The amounts for "Other Defined Benefit Plans" are below the rounding off norm adopted by the Company (refer Note 57) and hence the disclosures as required under Ind AS 19 - "Employee Benefits" have not been given.

#### (II) Defined contribution plans

During the year, the Company has recognised the following amounts in the Statement of Profit and Loss for defined contribution plans:

₹ in Crores

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Provident and Family Pension Fund (applicable for eligible employees whose provident fund accounts are maintained with the Regional Provident Fund Commissioner) | 3.51 | 3.33 |
| Superannuation Fund | 2.19 | 2.22 |

### Note 46. Share based payment to employees

#### Berger Paints India Limited Employee Stock Option Plan 2016

The Berger Paints India Limited – Employee Stock Option Plan 2016 ['the Plan'] was approved at the Annual General Meeting of the Company held on 3rd August, 2016. The objective of the plan is to:

1) Attract, retain and motivate Employees,
2) Create and share wealth with the Employees,
3) Recognise and reward employee performance with shares and
4) Encourage employees to align individual performance with the objective of the Company. The terms and conditions of the Plan is reproduced below:

a) "Vesting Date" means the date on and from which the Option vests with the Participant and thereby becomes exercisable.



Notes to Standalone Financial Statements (contd.)

### Note 46. Share based payment to employees (contd.)

b) "Exercise Date "means the date on which the Participant exercises his Vested Options and in case of partial Exercise shall mean each date on which the Participant exercises part of his Vested Options.

c) "Vesting Period" means the period during which the Vesting of the Option granted to the Participant in pursuance of the Plan takes place.

d) "Exercise Period" means a period of 3 years from the Vesting Date as defined above of the Plan within which the Vested Options can be exercised in pursuance of the Plan.

e) The Exercise Price of an Option shall be the face value of ₹1/- per Share

f) Cashless exercise of the Options are not permitted under the Plan. Participants to pay full Aggregate Exercise Price upon the Exercise of the Vested Options.

g) Subject to Participant's continued employment as defined in Clause 14 of the Plan the Unvested Options shall vest with the Participant automatically in accordance with the following schedule : a) 33% of the total Options granted, rounded up to the nearest whole number, shall vest on the first anniversary of the Grant Date; b) further 33% of the total Options granted, rounded up to the nearest whole number, shall vest on the second anniversary of the Grant Date and c)balance 34% of the total Options granted, rounded up to the whole number such that the total number of Options vested shall add up to 100%, shall vest on the third anniversary of the Grant Date.

h) The Date of Grant of options: 9th November, 2016, 9th November, 2017, 9th November, 2019, 10th February, 2021, 8th November, 2021, 17th October, 2022 and 8th November, 2023.

| | Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| (a) | Number of Stock Options outstanding (ESOP Plan 2016: Grant IV) | – | 23,021 |
| | Number of Stock Options outstanding (ESOP Plan 2016: Grant V) | 25,308# | 44,357* |
| | Number of Stock Options outstanding (ESOP Plan 2016: Grant VI) | 71,568# | 93,985 |
| | Number of Stock Options outstanding (ESOP Plan 2016: Grant VII) | 1,22,146 | – |
| | | **2,19,022** | **1,61,363** |

* Excludes 83 options being already vested and is exercisable at the end of the year.

#Includes bonus options 4,220 for Grant V and 11,928 for Grant VI.

| | Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|---|
| (b) | Number of Options granted during the year | | |
| | ESOP Plan 2016: Grant VI | – | 98,877 |
| | ESOP Plan 2016: Grant VII | 1,24,249 | – |
| | | **1,24,249** | **98,877** |
| (c) | Number of Options vested (ESOP Plan 2016: Grant III) | – | 27,276 |
| | Number of Options vested (ESOP Plan 2016: Grant IV) | 26,325# | 23,049 |
| | Number of Options vested (ESOP Plan 2016: Grant V) | 25801#^ | 22,994* |
| | Number of Options vested (ESOP Plan 2016: Grant VI) | 36,858# | – |
| | | **88,984** | **73,319** |

*Includes 83 options of Tranche I of Grant V, pending to be exercised and allotted.
#Includes bonus options 4,388 for Grant IV, 4,300 for Grant V and 6,143 for Grant VI.
^Excludes 83 options of Tranche I of Grant V, pending to be exercised in the previous financial year, were exercised and allotted in the current financial year.

## Notes to Standalone Financial Statements (contd.)

### Note 46. Share based payment to employees (contd.)

| | Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|---|
| (d) | Number of Options exercised (ESOP Plan 2016 : Grant III) | – | 27,276 |
| | Number of Options exercised (ESOP Plan 2016 : Grant IV) | 26,325# | 23,049 |
| | Number of Options exercised (ESOP Plan 2016 : Grant V) | 25884#^ | 22,911* |
| | Number of Options exercised (ESOP Plan 2016 : Grant VI) | 36,858# | – |
| | | **89,067** | **73,236** |
| | * Excludes 83 options of Tranche I of Grant V, pending to be exercised and allotted.<br>#Includes bonus options 4,388 for grant IV, 4,314 for grant V and 6,143 for Grant VI.<br>^Includes 83 options of Tranche I of Grant V, pending to be exercised in the previous financial year, were exercised and allotted in the current financial year. | | |
| (e) | Number of Shares arising on exercise (ESOP Plan 2016: Grant III) | – | 27,276 |
| | Number of Shares arising on exercise (ESOP Plan 2016: Grant IV) | 26,325# | 23,049 |
| | Number of Shares arising on exercise (ESOP Plan 2016: Grant V) | 25884#^ | 22,911* |
| | Number of Shares arising on exercise (ESOP Plan 2016: Grant VI) | 36,858# | – |
| | | **89,067** | **73,236** |
| | * Excludes 83 options of Tranche I of Grant V, pending to be exercised and allotted.<br># Includes bonus options 4,388 for Grant IV, 4,314 for Grant V and 6,143 for Grant VI.<br>^ Includes 83 options of Tranche I of Grant V, pending to be exercised in the previous financial year, were exercised and allotted in the current financial year. | | |
| (f) | Number of Options lapsed (ESOP Plan 2016: Grant III) | – | 1,567 |
| | Number of Options lapsed (ESOP Plan 2016: Grant IV) | 1,083 | 4,163 |
| | Number of Options lapsed (ESOP Plan 2016: Grant V) | 1,780 | 6,224 |
| | Number of Options lapsed (ESOP Plan 2016: Grant VI) | 3,630 | 4,892 |
| | Number of Options lapsed (ESOP Plan 2016: Grant VII) | 2,103 | – |
| | | **8,596** | **16,846** |
| (g) | Variation of terms of Option | None during the period | None during the period |
| | | **As at March 31, 2024** | **As at March 31, 2023** |
| (h) | Total Number of Options in force (ESOP Plan 2016: Grant IV) | – | 23,021 |
| | Total Number of Options in force (ESOP Plan 2016: Grant V) | 25,308# | 44,357@ |
| | Total Number of Options in force (ESOP Plan 2016: Grant VI) | 71,568# | 93,985 |
| | Total Number of Options in force (ESOP Plan 2016: Grant VII) | 1,22,146 | – |
| | | **2,19,022** | **1,61,363** |
| | @ Excludes 83 options of Tranche I of Grant V, pending to be exercised and allotted.<br># Includes bonus options 4,220 for Grant V and 11,928 for Grant VI. | | |



Notes to Standalone Financial Statements (contd.)

Note 46. Share based payment to employees (contd.)

| | Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|---|
| (i) | Weighted Average exercise price of the Share Options (in ₹) | | |
| | Outstanding at the beginning of the year | 1 | 1 |
| | Granted during the year | 1 | 1 |
| | Forfeited during the year | - | - |
| | Exercised during the year | 1 | 1 |
| | Expired during the year | 1 | 1 |
| | Outstanding at the end of the year | 1 | 1 |
| | Exercisable at the end of the period | 1 | 1 |
| (j) | Weighted Average share price of options exercised during the year on the date of exercise | ₹1 | ₹1 |
| (k) | Weighted Average fair value of the Options granted during the year | | |
| | i. ESOP Plan 2016 Grant VI (Fair value as on 31.03.2023) | NA | 572.61 |
| | ii. ESOP Plan 2016 Grant VII (Fair value as on 31.03.2024) | 562.82 | NA |
| (l) | A description of the method and significant assumptions used during the year to estimate the fair value of Options granted, including the following weighted average information:- | | |
| | The Black Scholes Option Pricing Model for dividend paying stock has been used to compute the fair value of the Options. The significant assumptions are: | | |
| i. | Date of grant | | |
| | a. ESOP Plan 2016 | 08.11.2023 | 17.10.2022 |
| ii. | Weighted average share price | 573.05 | 581.70 |
| iii. | Exercise Price | ₹1 | ₹1 |
| iv. | Risk Free Interest rate | 7.05% | 7.32% |
| v. | Expected Life: | | |
| | a. For options vested on 09.11.2020 | – | 0.61 years |
| | b. For options vested on 10.02.2022 | 0.87 years | 1.87 years |
| | c. For options vested on 08.11.2022 | 1.61 years | 2.61 years |
| | d. For options vested on 17.10.2023 | 2.55 years | 3 years from the vesting day |
| | e. For options yet to be vested | 3 years from the vesting day | – |
| vi. | Expected Volatility | 17.37% | 18.85% |
| vii. | Expected dividend yield | 0.46% | 0.41% |
| viii. | Weighted Average fair value as on grant date | | |
| | a. ESOP Plan 2016: Grant IV - 10.02.2021 | – | ₹755.76 |
| | b. ESOP Plan 2016: Grant V - 08.11.2021 | ₹767.88 | ₹767.88 |
| | c. ESOP Plan 2016: Grant VI - 17.10.2022 | ₹605.91 | ₹605.91 |
| | d. ESOP Plan 2016: Grant VII - 08.11.2023 | ₹577.58 | – |

## Notes to Standalone Financial Statements (contd.)

### Note 46. Share based payment to employees (contd.)

| | Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|---|
| ix. | The price of the underlying share in the market at the time of option grant: | | |
| | a. ESOP Plan 2016: Grant IV - 10.02.2021 | – | ₹762.15 |
| | b. ESOP Plan 2016: Grant V - 08.11.2021 | ₹774.95 | ₹774.95 |
| | c. ESOP Plan 2016: Grant VI - 17.10.2022 | ₹613.75 | ₹613.75 |
| | d. ESOP Plan 2016: Grant VII - 08.11.2023 | ₹586.25 | – |
| x. | Time to maturity | | |
| | a. ESOP 2016 Plan Grant III vested on 09.11.2020 | – | 0.61 years |
| | b. ESOP 2016 Plan Grant IV vested on 10.02.2022 | 0.87 years | 1.87 years |
| | c. ESOP 2016 Plan Grant V vested on 08.11.2022 | 1.61 years | 2.61 years |
| | d. ESOP 2016 Plan Grant VI vested on 17.10.2023 | 2.55 years | 3 years from the vesting day |
| | e. ESOP 2016 Plan Grant VII (yet to be vested) | 3 years from the vesting day | – |

Expected volatility during the expected term of the ESOP is based on historical volatility of the observed market prices of the Company's publicly traded equity shares during a period equivalent to the expected term of the ESOP.

The fair values of our ESOP are based on the market value of our stock on the date of Grant.

m. The following table summarizes information about Share Options outstanding as at year end:-

| Range of exercise prices per option (₹) | As at March 31, 2024 | | |
|---|---|---|---|
| | No. of options outstanding | Weighted average remaining contractual life | Weighted average exercise price (₹) |
| 1 | 25,308 | 1.61 years | 1 |
| 1 | 71,568 | 2.55 years | 1 |
| 1 | 1,22,146 | Yet to be vested | 1 |

| Range of exercise prices per option (₹) | As at March 31, 2023 | | |
|---|---|---|---|
| | No. of options outstanding | Weighted average remaining contractual life | Weighted average exercise price (₹) |
| 1 | 23,021 | 1.87 years | 1 |
| 1 | 44,357 | 2.61 years | 1 |
| 1 | 93,985 | Yet to be vested | 1 |



## Notes to Standalone Financial Statements (contd.)

### Note 47.

#### a. Company as a lessee

The Company has lease contracts for various depots, head office and leasehold lands used in its operations. Leasehold land and building generally have lease terms between 2 and 99 years.

The Company also has certain leases with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases.

**(i) Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:**

₹ in Crores

| Particulars | Buildings | Leasehold lands | Total |
|---|---|---|---|
| **As at April 1, 2022** | **297.38** | **74.44** | **371.82** |
| Additions | 156.82 | 7.19 | 164.01 |
| Deletions | (25.37) | – | (25.37) |
| Depreciation charge | (68.11) | (1.15) | (69.26) |
| **As at March 31, 2023** | **360.72** | **80.48** | **441.20** |
| Additions | 201.50 | 60.43 | 261.93 |
| Deletions | (12.35) | – | (12.35) |
| Depreciation charge | (79.31) | (1.18) | (80.49) |
| **As at March 31, 2024** | **470.56** | **139.73** | **610.29** |

Title/Lease deeds of immovable properties mentioned above, are in the name of the Company except those mentioned below:

₹ in Crores

| Particulars | No. of title/ lease deeds | Gross Carrying Amount | | Net Carrying Amount | | Held in the name of | Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director | Property held since which date | Reason for not being held in the name of the company |
|---|---|---|---|---|---|---|---|---|---|
| | | As at 31st March, 2024 | As at 31st March, 2023 | As at 31st March, 2024 | As at 31st March, 2023 | | | | |
| Leasehold land at Panaji, Goa | 1 | 0.35 | 0.35 | 0.26 | 0.26 | Rajdoot Paints Private Limited | No | Oct 1, 1998 | |
| Leasehold land at Sikandrabad, Uttar Pradesh | 1 | 0.27 | 0.27 | 0.13 | 0.13 | Rajdoot Paints Private Limited | No | Oct 1, 1998 | Refer Note (i) in the following page |
| Leasehold land at Chandigarh | 1 | 0.05 | 0.05 | 0.03 | 0.03 | Rajdoot Paints Private Limited | No | Oct 1, 1998 | |
| Leasehold land at Howrah* | 1 | 0.01 | 0.01 | 0.00 | 0.00 | Government of West Bengal | No | Sep 26, 1957 | Refer Note (ii) in the following page |
| Leasehold Land at Odisha | 1 | 60.08 | – | 59.94 | – | Odisha Industrial Infrastructure Development Corporation | No | Nov 04, 2023 | Refer Note (iii) in the following page |

*Refer Note 57

## Notes to Standalone Financial Statements (contd.)

### Note 47.a. Company as a lessee (contd.)

(i) Vide order dated October 01, 1998, the Hon'ble High Court of Calcutta had approved the Scheme of Amalgamation of Rajdoot Paints Private Limited with the Company with effect from October 01, 1998. In terms of said order, all the aforesaid leasehold land parcels held by Rajdoot Paints Private Limited was transferred to the Company. Management believes that, vide the approved Scheme of Amalgamation, the rights and obligations under respective lease arrangements were transferred in favour of the Company and no further action is necessary for the purpose.

(ii) Renewal of lease with West Bengal Government in respect of a piece of land comprising about 0.08 acres at Howrah is under process since September 26, 2017.

(iii) The Company has received the allotment in its name and execution of lease deed in respect of 80 acres in Odisha is in process.

**(ii) Set out below are the carrying amounts of lease liabilities and the movements during the period:**

₹ in Crores

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **At Amortised Cost** | | |
| **Opening Balance** | 384.61 | 315.37 |
| Additions | 258.45 | 160.83 |
| Accretion of interest | 33.34 | 28.20 |
| Deletions/ termination | (15.55) | (28.91) |
| Payments | (145.94) | (90.88) |
| **Closing Balance** | **514.91** | **384.61** |
| Non-current | 418.75 | 305.81 |
| Current | 96.16 | 78.80 |

The effective interest rate for lease liabilities is 7%, with maturity between 2024-2113.

The following are the amounts recognised in Statement of Profit or Loss:

**(iii) Amount recognised in the Statement of Profit and Loss:**

₹ in Crores

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Depreciation expense of right-of-use assets (Refer Note 41) | 80.49 | 69.26 |
| Interest expense on lease liabilities (Refer Note 40) | 33.34 | 28.20 |
| Gain on early termination of leases (Refer Note 35) | 3.20 | (3.53) |
| Expense relating to leases of low-value assets and short-term leases (Refer Note 42) | 11.32 | 9.06 |
| **Total** | **121.95** | **102.99** |

The Company had total cash outflows for leases of ₹145.94 crores (March 31, 2023: ₹90.88 crores).

The company does not face a significant liquidity risk with regards to its lease liabilities as the current assets are sufficient to meet the obligation related to the lease liabilities as and when they fall due.



Notes to Standalone Financial Statements (contd.)

### Note 47.a. Company as a lessee (contd.)

**(iv) The table below provides details regarding the contractual maturities of lease liabilities as on undiscounted basis:**

₹ in Crores

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Less than one year | 102.89 | 84.33 |
| More than one year but less than five years | 350.69 | 271.98 |
| More than five years | 262.65 | 133.00 |
| **Total** | **716.23** | **489.31** |

**b. Company as Lessor**

The Company has given Color bank (tinting machines) on operating lease to its dealers. The Company enters into 2- 5 years cancellable lease agreements. However the corresponding lease rentals may be receivable for a shorter period or may be waived off/refunded on achievement of certain sales targets by the concerned dealers. The minimum aggregate lease payments to be received in future is considered as ₹ Nil. Accordingly the disclosure of the minimum lease payments receivable at the Balance sheet date is not made. The amounts received from customers pending to be refunded back are recognised as liabilities. Also refer Note 4.

### Note 48. Commitment and Contingent Liabilities

**a. Commitments**

₹ in Crores

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | 106.83 | 112.23 |

**b. Contingent Liabilities**

Claims against the Company not acknowledged as debts:

**(i) Legal claim contingency**

₹ in Crores

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Sales Tax, Entry Tax, VAT | 9.89 | 20.16 |
| Excise Duty, Service Tax, Customs | 35.99 | 51.73 |
| Goods and Service Tax | 17.10 | 2.57 |
| Income Tax | 8.65 | 16.07 |
| Other matter | 1.64 | – |
| | **73.27** | **90.53** |

The Company has exposures towards litigation/disputes relating to various matters as set out in the above note. Since the ultimate outcome of these matters are uncertain, the Company has exercised significant judgement to determine the probability of future cash outflow for these matters and has accordingly taken provisions wherever necessary. The management judgement is also supported with legal advice in certain matters as considered appropriate.

## Notes to Standalone Financial Statements (contd.)

### Note 48. Commitment and Contingent Liabilities (contd.)

**(ii) Guarantees excluding corporate guarantees**

₹ in Crores

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Outstanding Bank guarantees | 131.29 | 141.49 |

**(iii) Corporate guarantees**

₹ in Crores

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Corporate guarantees issued by the Company to certain banks for loans taken and credit availed from vendors by certain subsidiaries and a joint venture. Total value of guarantee provided by the Company is ₹122.67 crores (March 31, 2023: ₹122.00 crores) and the outstanding balance of loan in the books of subsidiaries and joint venture is ₹38.13 crores (March 31, 2023: ₹46.14 crores) which has been disclosed under contingent liabilities. | 38.13 | 46.14 |

Details of Guarantees given are as below:

₹ in Crores

| Name of Related parties | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| STP Limited | 35.99 | 44.66 |
| Berger Hesse Wood Coatings Private Limited | 1.47 | 1.48 |
| Beepee Coatings Private Limited | 0.67 | – |
| | **38.13** | **46.14** |

The above guarantees have been given against loan utilised by the borrowing company and credit availed from vendors for their business activities. Also refer Note 49b.

**(iv) Others**

The Company continues to provide such support as may be necessary to its subsidiaries Berger Rock Paints Private Limited and Berger Paints (Cyprus) Limited [including to the ultimate wholly owned Russian subsidiary Berger Paint Overseas Limited (BPOL)], Lusako Trading Limited [including to the ultimate wholly owned Polish subsidiary Bolix S.A] and joint venture (Berger Nippon Paint Automotive Coatings Pvt. Ltd.) to enable them to continue atleast with their present scale of operations and meet their financial commitments as and when they arise.

### Note 49. a. Related Party Transactions

**List of Related Parties**

**I. Parent and Subsidiary Companies (where control relationships exist):**

| Name of related parties | Nature of relationship | Principal Place of business |
|---|---|---|
| U K Paints (India) Private Limited * | Ultimate Holding Company | India |
| Berger Jenson & Nicholson (Nepal) Private Limited | Wholly Owned Subsidiary | Nepal |
| Beepee Coatings Private Limited | Wholly Owned Subsidiary | India |
| Berger Paints (Cyprus) Limited | Wholly Owned Subsidiary | Cyprus |
| Lusako Trading Limited | Wholly Owned Subsidiary | Cyprus |

The Principal activities of all entities mentioned above are “Manufacturing Paints and other related product”
* The party holds more than 5% of the equity shares in the company. (Refer Note 21e)





### Note 49. a. Related Party Transactions (contd.)

| Name of related parties | Nature of relationship | Principal Place of business |
|---|---|---|
| SBL Specialty Coatings Private Limited | Wholly Owned Subsidiary | India |
| Berger Paints Overseas Limited | Wholly Owned Subsidiary of Berger Paints (Cyprus) Limited | Russia |
| Bolix S.A. | Wholly Owned Subsidiary of Lusako Trading Limited | Poland |
| BUILD TRADE sp. z. o.o. | Wholly Owned Subsidiary of Bolix S.A. | Poland |
| Bolix UKRAINE sp. z.o.o. | Wholly Owned Subsidiary of Bolix S.A. | Ukraine |
| Soltherm External Insulations Limited | Wholly Owned Subsidiary of Bolix S.A. | United Kingdom |
| Soltherm Isolations Thermique Exterieure SAS | Wholly Owned Subsidiary of Bolix S.A. | France |
| Berger Rock Paints Private Limited | Subsidiary | India |
| Berger Hesse Wood Coatings Private Limited | Subsidiary | India |
| STP Limited | Subsidiary | India |
| Surefire Management Services Limited | Joint Venture of Bolix S.A. | United Kingdom |

The Principal activities of all entities mentioned above are “Manufacturing Paints and other related product”

**II. Other related parties with whom transactions have taken place during the year:**

**a) Key Management Personnel**

| Name of related parties | Nature of relationship |
|---|---|
| Mr Kuldip Singh Dhingra | Director |
| Mr Gurbachan Singh Dhingra | Director |
| Mr Kanwardip Singh Dhingra | Executive director and relative of Mr Gurbachan Singh Dhingra |
| Ms Rishma Kaur | Executive director and relative of Mr Kuldip Singh Dhingra |
| Mr Abhijit Roy | Managing Director & CEO |
| Mr Srijit Dasgupta | Director - Finance & Chief Financial Officer ( 1st April 22 to 30th September 22) |
| Mr Vikash Sarda | Chief Financial Officer (1st October 22 to 4th January 23) |
| Mr Kaushik Ghosh | Chief Financial Officer (From 12th January 23 onwards) |
| Mr Arunito Ganguly | Vice President & Company Secretary |
| Mr Naresh Gujral | Independent Director |
| Mrs Sonu Halan Bhasin | Independent Director |
| Mr Anoop Hoon | Independent Director |
| Mr Gopal Krishna Pillai | Independent Director (From 15th May 23 onwards) |
| Dr Anoop Kumar Mittal | Independent Director |

## Notes to Standalone Financial Statements (contd.)

### Note 49. a. Related Party Transactions (contd.)

**b) Others**

| Name of related parties | Nature of relationship |
|---|---|
| Berger Becker Coatings Private Limited | Joint Venture of the Company |
| Berger Nippon Paint Automotive Coatings Private Limited | Joint Venture of the Company |
| Jenson & Nicholson (Asia) Limited * | Fellow Subsidiary |
| Berger Paints (Bangladesh) Limited | Fellow Subsidiary |
| Citland Commercial Credits Limited | Fellow Subsidiary |
| Wang Investment & Finance Private Limited | Fellow Subsidiary |
| Kanwar Properties Private Limited | Fellow Subsidiary |
| Berger Paints Provident Fund (Covered) | Post-employment benefit plan of the Company |
| Berger Paints Officers (Non-Management Category) Superannuation Fund | Post-employment benefit plan of the Company |
| Berger Paints Management Staff Superannuation Fund | Post-employment benefit plan of the Company |
| BAICL Employees Superannuation Fund | Post-employment benefit plan of the Company |
| BAICL Employees Gratuity Fund | Post-employment benefit plan of the Company |
| Seaward Packaging Private Limited | Entity controlled by Key Managerial Personnel |
| Flex Properties Private Limited | Entity controlled by Key Managerial Personnel |
| Wazir Estates Private Limited | Entity controlled by Key Managerial Personnel |
| Bigg Investments & Finance Private Limited | Entity controlled by Key Managerial Personnel |
| Oakleaf Probuilt LLP | Entity controlled by Key Managerial Personnel |
| Pasque Probuilt LLP | Entity controlled by Key Managerial Personnel |
| Shalimar Tar Products Limited | Entity controlled by Key Managerial Personnel |
| Naldehra Nest LLP | Entity controlled by Key Managerial Personnel |
| Kfin Technologies Limited | Other Related Party (Till 14th Nov 2023) |
| Countrywide Projects Private Limited | Other Related Party |
| KSD Family Trust | Mr Kuldip Singh Dhingra - Settlor Trustee |
| GBS Dhingra Family Trust | Mr Gurbachan Singh Dhingra - Settlor Trustee |
| Mrs Meeta Dhingra | Spouse of Mr Kuldip Singh Dhingra |
| Mrs Vinu Dhingra | Spouse of Mr Gurbachan Singh Dhingra |
| Mrs Jessima Kumar | Daughter of Mr Kuldip Singh Dhingra |
| Ms Dipti Dhingra | Daughter of Mr Kuldip Singh Dhingra |
| Mrs Sunaina Kohli | Daughter of Mr Gurbachan Singh Dhingra |
| Mrs Anshna Sawhney | Daughter of Mr Gurbachan Singh Dhingra |
| Mr Aditya Narang | Relative of Ms Rishma Kaur |

* The party holds more than 5% of the equity shares in the company. (Refer Note 21e)



Notes to Standalone Financial Statements (contd.)

### Note 49. b. Disclosure in respect of Related Parties pursuant to Ind AS 24

**A. During the year the following transactions were carried out with the related parties in the ordinary course of business:**

₹ in Crores

| Transaction | Related Party | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|---|
| Sale of Goods (includes sale of raw materials, packing materials, intermediates, traded goods and stores) | Berger Becker Coatings Private Limited | 10.58 | 22.59 |
| | Berger Jenson & Nicholson (Nepal) Private Limited | 13.71 | 15.76 |
| | Berger Nippon Paint Automotive Coatings Private Limited | 37.65 | 36.68 |
| | Berger Rock Paints Private Limited | 18.18 | 16.79 |
| | Berger Paints (Bangladesh) Limited | – | 0.34 |
| | Berger Paints Overseas Limited* | 1.27 | 0.00 |
| | U K Paints (India) Private Limited | 0.37 | 0.24 |
| | SBL Specialty Coatings Private Limited | 0.08 | 0.66 |
| | STP Limited | 0.86 | 2.01 |
| | Bolix S.A. | – | 0.11 |
| | Berger Hesse Wood Coatings Private Limited | 3.06 | 3.21 |
| | Naldehra Nest LLP | – | 0.03 |
| | Countrywide Projects Private Limited* | 0.00 | – |
| | Mr Kuldip Singh Dhingra | 0.02 | 0.02 |
| | Mr Kanwardip Singh Dhingra* | 0.00 | 0.01 |
| | Ms Rishma Kaur * | 0.00 | 0.01 |
| | Mrs Sunaina Kohli* | – | 0.00 |
| | Mr Aditya Narang* | 0.00 | – |
| | Seaward Packaging Limited | 0.05 | 0.27 |
| Royalty Income | Berger Jenson & Nicholson (Nepal) Private Limited | 2.54 | 3.47 |
| | Berger Paints (Bangladesh) Limited | 0.08 | 0.12 |
| Interest Income | Beepee Coatings Private Limited | 2.14 | 0.76 |
| Machinery Rental Income | Beepee Coatings Private Limited | 0.43 | 0.43 |
| Corporate Guarantee Income | Lusako Trading Limited | – | 0.33 |
| | STP Limited | 0.05 | – |
| Processing Income | Berger Nippon Paint Automotive Coatings Private Limited | 10.02 | 7.96 |
| Shared Services Income | Berger Rock Paints Private Limited | 1.08 | 0.39 |
| | Berger Nippon Paint Automotive Coatings Private Limited | 0.01 | 0.01 |
| Rental Income (Warehouse/ Office space) | Berger Rock Paints Private Limited | 0.25 | 0.25 |
| | Berger Nippon Paint Automotive Coatings Private Limited | 0.02 | 0.02 |
| | Berger Becker Coatings Private Limited | 0.01 | 0.01 |
| | Berger Hesse Wood Coatings Private Limited* | 0.01 | 0.04 |
| | Shalimar Tar Products Limited | 0.01 | 0.01 |
| | STP Limited* | 0.00 | 0.00 |
| Software License Income | Berger Jenson & Nicholson (Nepal) Private Limited | 0.83 | – |

* Refer Note 57

## Notes to Standalone Financial Statements (contd.)

### Note 49. b. Disclosure in respect of Related Parties pursuant to Ind AS 24 (contd.)

| Transaction | Related Party | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|---|
| Purchase of Goods (includes purchase of raw materials, packing materials and traded goods) | U K Paints (India) Private Limited | 130.66 | 145.27 |
| | Berger Becker Coatings Private Limited | 0.21 | 0.27 |
| | SBL Specialty Coatings Private Limited* | 5.17 | 3.65 |
| | Berger Hesse Wood Coatings Private Limited | – | 0.02 |
| | STP Limited | 19.88 | 19.25 |
| | Bolix S.A.* | 0.00 | – |
| | Seaward Packaging Private Limited | 101.00 | 106.32 |
| | Berger Nippon Paint Automotive Coatings Private Limited | 1.97 | 1.54 |
| Processing Charges | U K Paints (India) Private Limited | 36.58 | 44.38 |
| | STP Limited | 0.03 | 0.15 |
| | Beepee Coatings Private Limited | 34.86 | 33.56 |
| Rent Expenses | U K Paints (India) Private Limited | 1.97 | 1.88 |
| | Flex Properties Private Limited | – | 0.03 |
| | Beepee Coatings Private Limited | 0.07 | 0.07 |
| | Kanwar Properties Private Limited | 0.68 | 0.65 |
| | STP Limited | 0.01 | 0.01 |
| | Berger Nippon Paint Automotive Coatings Private Limited | 0.06 | 0.06 |
| | Oakleaf Probuilt LLP | 1.50 | 1.43 |
| | Pasque Probuilt LLP | 0.32 | 0.32 |
| | Mrs Meeta Dhingra | 0.07 | 0.07 |
| | Mrs Vinu Dhingra | 0.07 | 0.07 |
| | Mr Kuldip Singh Dhingra | 0.20 | 0.18 |
| | Mr Gurbachan Singh Dhingra | 0.20 | 0.18 |
| Professional Service Expenses | Kfin Technologies Limited | 0.02 | 0.02 |
| Unsecured Loan Given | Beepee Coatings Private Limited | 12.36 | 13.18 |
| Sale of Property, plant and equipment | Beepee Coatings Private Limited* | – | 0.00 |
| Purchase of Property,plant and equipment | Beepee Coatings Private Limited | 0.01 | 0.75 |
| | Bolix S.A. | 0.30 | – |
| Rendering of Manpower Services | U K Paints (India) Private Limited | 0.12 | 0.15 |
| | Berger Nippon Paint Automotive Coatings Private Limited | 0.07 | 0.08 |
| | STP Limited | 0.01 | 0.01 |
| | Berger Becker Coatings Private Limited | 0.18 | 0.17 |
| Manpower Service Expenses | U K Paints (India) Private Limited | 0.15 | 0.17 |
| Contribution to Provident Fund | Berger Paints Provident Fund (Covered) | 24.86 | 20.54 |
| Contribution to Gratuity Fund | BAICL Employees Gratuity Fund | 0.14 | 0.08 |
| Contribution to Superannuation Fund | Berger Paints Officers (Non-Management Category) Superannuation Fund | 0.46 | 0.49 |
| | Berger Paints Management Staff Superannuation Fund | 1.69 | 1.73 |
| | BAICL Employees Superannuation Fund | 0.05 | 0.05 |
| | Mr Kuldip Singh Dhingra | 0.18 | 0.18 |
| | Mr Gurbachan Singh Dhingra | 0.10 | 0.10 |

* Refer Note 57



Notes to Standalone Financial Statements (contd.)

Note 49. b. Disclosure in respect of Related Parties pursuant to Ind AS 24 (contd.)

| Transaction | Related Party | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|---|
| Commission to Non-Executive Directors | Mr Naresh Gujral | 0.07 | 0.07 |
| | Mrs Sonu Halan Bhasin | 0.07 | 0.07 |
| | Mr Anoop Hoon | 0.07 | 0.07 |
| | Mr Gopal Krishna Pillai | 0.07 | – |
| | Dr Anoop Kumar Mittal | 0.07 | 0.07 |
| Equity Contribution | Berger Paints (Cyprus) Limited | – | 2.83 |
| | Lusako Trading Limited | – | 61.17 |
| Key Management Personnel Compensation (including post employment benefits and share based payments) | Mr Abhijit Roy | 8.28 | 7.31 |
| | Mr Srijit Dasgupta | – | 1.18 |
| | Mr Vikash Sarda | – | 0.26 |
| | Mr Kaushik Ghosh | 0.96 | 0.17 |
| | Mr Arunito Ganguly | 0.63 | 0.58 |
| | Mr Kanwardip Singh Dhingra | 0.72 | 0.65 |
| | Ms Rishma Kaur | 0.72 | 0.65 |
| Dividend Payment | U K Paints (India) Private Limited | 155.73 | 150.83 |
| | Jenson & Nicholson (Asia) Limited | 45.01 | 43.60 |
| | Citland Commercial Credits Limited | 9.89 | 9.58 |
| | Wang Investment & Finance Private Limited | 9.60 | 9.30 |
| | Bigg Investment & Finance Private Limited | 2.54 | 2.47 |
| | KSD Family Trust | 2.66 | 2.57 |
| | GBS Dhingra Family Trust | 1.89 | 1.82 |
| | Mr Kuldip Singh Dhingra | 1.76 | 1.71 |
| | Mr Gurbachan Singh Dhingra | 1.42 | 1.38 |
| | Mrs Vinu Dhingra | 1.25 | 1.21 |
| | Mrs Meeta Dhingra | 0.32 | 0.31 |
| | Mr Kanwardip Singh Dhingra | 0.22 | 0.22 |
| | Mrs Anshna Sawhney | 0.19 | 0.19 |
| | Mrs Jessima Kumar | 0.19 | 0.19 |
| | Ms Rishma Kaur | 0.19 | 0.19 |
| | Mrs Sunaina Kohli | 0.19 | 0.19 |
| | Ms Dipti Dhingra | 0.04 | 0.04 |
| | Mr Abhijit Roy | 0.02 | 0.02 |
| | Mr Naresh Gujral | 0.01 | 0.01 |
| | Mr Srijit Dasgupta | – | 0.03 |
| | Mr Kaushik Ghosh | 0.01 | – |
| Dividend Receipt | Berger Jenson & Nicholson (Nepal) Private Limited | – | 30.20 |
| | Berger Becker Coatings Private Limited | 2.06 | 3.76 |

## Notes to Standalone Financial Statements (contd.)

### Note 49. b. Disclosure in respect of Related Parties pursuant to Ind AS 24 (contd.)

**B. Balances outstanding at the year end (including commitments):**

₹ in Crores

| Outstanding | Related Party | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| Payable | U K Paints (India) Private Limited | 31.04 | 40.84 |
| | Seaward Packaging Limited | 24.34 | 23.13 |
| | STP Limited | 3.51 | 4.67 |
| | Beepee Coatings Private Limited | 4.94 | 2.91 |
| | SBL Specialty Coatings Private Limited* | 0.59 | 1.13 |
| | Wazir Estates Private Limited* | 0.00 | 0.00 |
| | Kfin Technologies Limited* | – | 0.01 |
| | Kanwar Properties Private Limited* | 0.00 | 0.00 |
| | Countrywide Projects Private Limited * | 0.00 | 0.00 |
| | Mr Abhijit Roy | 1.68 | 1.19 |
| | Mr Kaushik Ghosh | 0.02 | 0.02 |
| | Mr Arunito Ganguly | 0.02 | 0.02 |
| | Mr Kanwardip Singh Dhingra* | 0.02 | 0.00 |
| | Ms Rishma Kaur* | 0.01 | 0.00 |
| | Mr Naresh Gujral | 0.07 | 0.07 |
| | Mr Anoop Hoon | 0.07 | 0.07 |
| | Mrs Sonu Halan Bhasin | 0.07 | 0.07 |
| | Mr Gopal Krishna Pillai | 0.07 | – |
| | Dr Anoop Kumar Mittal | 0.07 | 0.07 |
| | Mr Aditya Narang* | 0.00 | – |
| | Mr Kuldip Singh Dhingra | 0.18 | 0.18 |
| | Mr Gurbachan Singh Dhingra | 0.10 | 0.10 |
| Receivable | Berger Becker Coatings Private Limited | 7.16 | 3.14 |
| | Berger Jenson & Nicholson (Nepal) Private Limited | 3.30 | 15.33 |
| | Berger Nippon Paint Automotive Coatings Private Limited | 21.49 | 24.17 |
| | Bolix S.A. | 0.11 | 0.11 |
| | Berger Paints Overseas Limited | 0.24 | 0.06 |
| | Berger Rock Paints Private Limited | 10.87 | 12.63 |
| | Berger Hesse Wood Coating Private Limited | 1.01 | 0.79 |
| | Berger Paints (Bangladesh) Limited | 0.31 | 0.27 |
| | Shalimar Tar Products Limited* | 0.01 | 0.01 |
| | Naldehra Nest LLP * | – | 0.00 |
| | Mrs Sunaina Kohli* | – | 0.00 |

* Refer Note 57



Notes to Standalone Financial Statements (contd.)

Note 49. b. Disclosure in respect of Related Parties pursuant to Ind AS 24 (contd.)

| Outstanding | Related Party | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| Unsecured Loan Receivable | Beepee Coatings Private Limited | 36.50 | 24.14 |
| Interest Receivable | Beepee Coatings Private Limited | 0.38 | 0.11 |
| Security Deposit Receivable | U K Paints (India) Private Limited | 0.22 | 0.22 |
| | Kanwar Properties Private Limited | 0.08 | 0.08 |
| | Oakleaf Probuilt LLP | 0.15 | 0.15 |
| | Mr Kuldip Singh Dhingra | 0.01 | 0.01 |
| | Mr Gurbachan Singh Dhingra | 0.01 | 0.01 |
| Bank Guarantee Outstanding | Beepee Coatings Private Limited | 0.83 | – |
| Corporate Guarantee outstanding (Also Refer Note 49 for details of security given) | STP Limited | 35.99 | 44.66 |
| | Berger Hesse Wood Coatings Private Limited | 1.47 | 1.48 |

**C. Details of remuneration to Key Managerial Personnel is given below**

₹ in Crores

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| - Short-term employee benefits | 10.14 | 9.64 |
| - Post employment benefits | 1.04 | 0.98 |
| - Share based payment | 0.13 | 0.18 |
| | **11.31** | **10.80** |

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel. No share options have been granted to the non-executive members of the Board of Directors under this scheme.

Refer to Note 46 for further details of the scheme.

**Notes:**

Terms and conditions of transactions with related parties:

Transactions relating to dividend were on the same terms and conditions that applied to other shareholders. The sales to and purchases from related parties are made in the ordinary course of business and at arm's length prices. Outstanding balances at the year-end except loan given to a subsidiary are unsecured and interest free and settlement occurs in cash. No provisions are held against receivables from related parties.

### Note 50. Segment Information

The Company is engaged in the business of manufacturing and selling of paints. Based on the nature of products, production process , regulatory environment , customers and distribution methods there are no reportable segment(s) other than "Paints". The Business Process and Risk Management Committee of the Company, approved by the Board of Directors and Audit Committee performs the function of allotment of resources and assessment of performance of the Company. Considering the level of activities performed, frequency of their meetings and level of finality of their decisions, the Company has identified that Chief Operating Decision Maker function is being performed by the Business Process and Risk Management

## Notes to Standalone Financial Statements (contd.)

Committee. The financial information presented to the Business process and Risk Management Committee in the context of results and for the purposes of approving the annual operating plan is on a consolidated basis for various products of the Company. As the Company's business activity falls within a single business segment viz. 'Paints' and the sales substantially being in the domestic market, the financial statement are reflective of the information required by Ind AS 108 "Operating Segments".

## Note 51. Fair Value Hierarchy

The table shown below analyses financial instruments carried at fair value. The different levels have been defined below:

Level 1: Quoted Prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

**(a) Financial assets and liabilities measured at fair value through profit or loss at March 31, 2024**

₹ in Crores

| Particulars | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **Financial Assets** | | | | |
| Investment in Mutual Funds | 51.35 | – | – | 51.35 |

**Financial assets and liabilities measured at fair value through profit or loss at March 31, 2023**

₹ in Crores

| Particulars | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **Financial Assets** | | | | |
| Investment in Mutual Funds | 26.13 | – | – | 26.13 |

**(b) Financial instruments at amortized cost**

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

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

**(d)** In determining fair value measurement, the impact of potential climate-related matters, including legislation, which may affect the fair value measurement of assets and liabilities in the financial statements, as applicable, has been considered. These risks in respect of climate-related matters are included as key assumptions where they materially impact the measure of recoverable amount. These assumptions have been included in the cash-flow forecasts in assessing value-in-use amounts. At present, the impact of climate-related matters is not material to the Company's financial statements.



Notes to Standalone Financial Statements (contd.)

## Note 52. Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise borrowings and trade payables. The main purpose of these financial liabilities is to finance the Company's working capital requirements . The Company has various financial assets such as trade receivables, loans, investments, short-term deposits and cash & cash equivalents, which arise directly from its operations. The Company may enter into derivative transactions by way of forward exchange contracts to hedge its payables.

**Risk Management Framework**

The Company is exposed to market risk, credit risk and liquidity risk. The Company's Board of Directors oversees the management of these risks. The Company's Board of Directors is supported by the Business Process and Risk Management Committee (BPRMC) that advises on financial risks and the appropriate financial risk governance framework for the Company. The BPRMC provides assurance to the Company's Board of Directors that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by personnels that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board has taken all necessary actions to mitigate the risks identified on the basis of the information and situation present. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

**(i) Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market factors. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk , liquidity risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments and financial derivative.

The sensitivity analysis in the following sections relate to the position as at March 31, 2024 and March 31, 2023.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant at March 31, 2024.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations.

The following assumptions have been made in calculating the sensitivity analyses:

➤ The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2024 and March 31, 2023

➤ The sensitivity of equity is calculated as at March 31, 2024 for the effects of the assumed changes of the underlying risk

**(ii) Interest rate risk**

The Company has incurred short term debt to finance its working capital , which exposes it to interest rate risk. Borrowings issued at variable rates expose the Company to interest rate risk. Borrowing issued at fixed rates expose the Company to fair value interest rate risk. The Company's interest rate risk management policy includes achieving the lowest possible cost of debt financing, while managing volatility of interest rates, applying a prudent mix of fixed and floating debt through evaluation of various bank loans and money market instruments.

## Notes to Standalone Financial Statements (contd.)

The Company does not have any significant variable rate interest bearing liabilities as at March 31, 2024 and March 31, 2023, hence there would not be any material impact on pretax profit and pre tax equity of the Company on account of any anticipated fluctuations in interest.

### (iii) Foreign currency risk

The Company has a policy wherein it can enter into foreign exchange forward contracts to manage risk of foreign exchange fluctuations. These contracts are not designated in hedge relationships and are measured at fair value through profit or loss. Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in exchange rates of any currency . The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities by way of direct imports or financing of imports through foreign currency instruments.

There are no outstanding derivative contract as at March 31, 2024 and March 31, 2023.

**Foreign currency sensitivity**

The following tables demonstrate the sensitivity to a reasonably possible change in USD/Euro exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

| Year ended | Currency | Change in USD/EURO rate(%) | Effect on profit before tax (₹ in Crores) | Effect on pre-tax equity (₹ in Crores) |
|---|---|---|---|---|
| **March 31, 2024** | USD | 5% | (7.27) | (7.27) |
| | USD | -5% | 7.27 | 7.27 |
| | EURO | 5% | (0.07) | (0.07) |
| | EURO | -5% | 0.07 | 0.07 |
| | JPY | 5% | (0.01) | (0.01) |
| | JPY | -5% | 0.01 | 0.01 |
| **March 31, 2023** | USD | 5% | (7.81) | (7.81) |
| | USD | -5% | 7.81 | 7.81 |
| | EURO | 5% | (0.11) | (0.11) |
| | EURO | -5% | 0.11 | 0.11 |

### (iv) Commodity price risk

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

### (v) Equity price risk

The Company does not have any investments in listed securities or in Equity Mutual Funds and thereby is not exposed to any Equity price risk.

### (vi) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, and other financial instruments, as applicable.



Notes to Standalone Financial Statements (contd.)

The concentration of Credit Risk is limited as the customer base is large. There is no customer representing more than 10% of the total balance of trade receivable. As a practical expedient, the Company computes credit loss allowances based on a provision matrix. The provision matrix is prepared based on historically observed default rates over expected life of trade receivable and is adjusted for forward looking estimates. The Company believes that the current value of trade receivables reflects the fair value/ recoverable values.

₹ in Crores

| Movement in expected credit loss allowance on trade receivable | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Balance at the beginning of the year | 31.83 | 19.01 |
| Loss allowance/(reversal) measured at lifetime expected credit losses (net of bad debts) | 2.67 | 12.82 |
| **Balance at the end of the year** | **34.50** | **31.83** |

**Trade receivables and contract assets if any**

Customer credit risk is managed by the management subject to the Company's established policy, procedures and control relating to customer credit risk management. Individual credit limits are defined in accordance with credit quality of customers as assessed by the management. Outstanding customer receivables are regularly monitored and corrective actions are taken, as required.

**Financial instruments and cash deposits**

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

### (vii) Liquidity risk

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

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, cash credit facilities and buyers' credit facilities. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt.

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

₹ in Crores

| Particulars | On demand | < 1 year | 1 to 5 years | > 5 years | Total |
|---|---|---|---|---|---|
| **As at March 31, 2024** | | | | | |
| Financial Liabilities | | | | | |
| Borrowings | 64.41 | – | – | – | 64.41 |
| Lease liabilities | – | 102.89 | 350.69 | 262.65 | 716.23 |
| Other financial liabilities # | 4.35 | 103.98 | 69.59 | – | 177.92 |
| Trade payables | 8.79 | 1,558.40 | – | – | 1,567.19 |
| Financial Guarantee {Refer note 48 (iii)} | 38.13 | – | – | – | 38.13 |
| | **115.68** | **1,765.27** | **420.28** | **262.65** | **2,563.88** |

## Notes to Standalone Financial Statements (contd.)

### Note 52. Financial risk management objectives and policies (contd.)

₹ in Crores

| Particulars | On demand | < 1 year | 1 to 5 years | > 5 years | Total |
|---|---|---|---|---|---|
| **As at March 31, 2023** | | | | | |
| Financial Liabilities | | | | | |
| Borrowings | 674.70 | – | – | – | 674.70 |
| Lease liabilities | – | 84.33 | 271.98 | 133.00 | 489.31 |
| Other financial liabilities # | 4.71 | 89.45 | 71.60 | – | 165.76 |
| Trade payables | 7.90 | 1,666.44 | – | – | 1,674.34 |
| Financial Guarantee {Refer note 48 (iii)} | 46.14 | – | – | – | 46.14 |
| | **733.45** | **1,840.22** | **343.58** | **133.00** | **3,050.25** |

# Includes contractual interest payment based on interest rate prevailing at the end of the reporting period amounting to ₹2.07 Crores and ₹1.96 Crores as at March 31, 2024 and March 31, 2023 respectively.

For maturity profile of lease liabilities, refer Note 47(iv).

### Note 53. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company avails short term borrowings to bridge its working capital gap and finances its capital expenditure through internal generation of funds. The Company has a generally low debt equity ratio.

₹ in Crores

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Borrowings (Note 27) | 64.41 | 674.70 |
| Lease liabilities (Note 47) | 514.91 | 384.61 |
| Less: cash and cash equivalents (Note 16) | (151.20) | (56.87) |
| **Net debt (A)** | **428.12** | **1,002.44** |
| Total capital (B) | 5,005.24 | 4,295.19 |
| **Capital and net debt (C=A+B)** | **5,433.36** | **5,297.63** |
| Gearing ratio (A/C) | 8% | 19% |

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements, if any. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2024 and March 31, 2023.



Notes to Standalone Financial Statements (contd.)

### Note 54. Ratio Analysis and its elements

| Ratio | Numerator | Denominator | As at March 31, 2024 | As at March 31, 2023 | % change |
|---|---|---|---|---|---|
| Current ratio # | Current Assets | Current Liabilities | 1.78 | 1.34 | 33% |
| Debt- Equity Ratio ## | Borrowings (including lease liabilities) | Total equity | 0.12 | 0.25 | -52% |
| Debt Service Coverage Ratio | Net Profit after taxes + depreciation and amortization + Finance cost | Finance cost + Lease payments (excluding short term lease rent) | 6.54 | 6.76 | -3% |
| Return on Equity Ratio | Net Profits after taxes | Average Shareholder's Equity | 21.83% | 20.56% | 6% |
| Inventory Turnover Ratio | Cost of goods sold + Manufacturing expenses | Average inventories of goods | 3.11 | 2.99 | 4% |
| Trade Receivable Turnover Ratio | Revenue from operations | Average trade receivables | 10.15 | 10.49 | -3% |
| Trade Payable Turnover Ratio | Total purchases including purchase of raw material, packing material and purchase of traded goods | Average trade payables | 3.63 | 3.60 | 1% |
| Net Capital Turnover Ratio @ | Revenue from operations | Working capital = Current assets – Current liabilities | 6.30 | 10.47 | -40% |
| Net Profit Ratio | Net Profit | Revenue from operations | 0.10 | 0.09 | 11% |
| Return on Capital Employed | Earnings before interest and taxes | Capital Employed = Net Worth-Intangible assets under development + Borrowings (including lease liabilities) + Deferred Tax Liability | 25.54% | 22.15% | 15% |
| Return on Fixed Deposits* | Interest Income on Deposits with Banks | Average Investment (Fixed Deposit) | 6.75% | 4.78% | 41% |
| Return on Mutual Funds ** | Net gain on Mutual Fund Investments | Average Investment (Mutual Fund) | 13.73% | 2.07% | 563% |

# Improvement in current ratio is on account of decrease in current liabilities in current financial year as compared to previous financial year due to decrease in short term borrowings.

## Improvement in debt equity ratio is on account of decrease in borrowings in current financial year as compared to previous financial year.

@ Decrease in net capital turnover ratio is on account of increase in working capital in current financial year as compared to previous year due to decrease in short term borrowings.

* Increase in return on fixed deposits is on account of increase in interest yield on fixed deposits.

** Increase in return on mutual funds is on account of increase in income from underlying investments during the year.

### Note 55. A. Additional regulatory information required by Schedule III to the Companies Act, 2013

(i) The Company does not have any benami property held in its name. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the Rules made thereunder.

(ii) The Company has not been declared wilful defaulter by any bank or financial institution or other lender or government or any government authority.

(iii) There is no income surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961 (such as search or survey), that has not been recorded in the books of account.

(iv) The Company has not traded or invested in crypto currency or virtual currency during the year.

(v) The Company does not have any charges or satisfaction of charges which is yet to be registered with Registrar of Companies beyond the statutory period.

## Notes to Standalone Financial Statements (contd.)

(vi) The Company has complied with the number of layers prescribed under (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017

(vii) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent Company (Ultimate Beneficiaries) or

(b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(viii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

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

(x) Quarterly returns or statements of current assets filed by the Company with the banks in connection with the working capital limit sanctioned are in agreement with the books of accounts except as mentioned in Note 26.

### Note 55. B. Disclosure as per Section 186 of the Companies Act, 2013

The details of loans, guarantees and investments under Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 are as follows:

(i) Details of Investments made are given in Note 7.

(ii) Details of Loans given are disclosed in Note 9 and Note 18.

(iii) Details of Guarantees given are disclosed in Note 48(b)(iii).

### Note 56.

The Company has used accounting software(s) for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software(s), except that audit trail feature is not enabled for direct changes to data for users with certain privileged access rights to the Oracle application and the underlying database and in respect of Darwin box application (software used by the Company to maintain payroll records and operated by a third party software service provider), in absence of Service Organisation Controls report, management is unable to determine whether audit trail feature of the underlying database was enabled and operated throughout the year. Further no instance of audit trail feature being tampered with was noted in respect of accounting software(s) except that in absence of Service Organisation Controls report, we are unable to assess the same in respect of the software used to maintain payroll records.

### Note 57.

All figures are in Rupees Crores unless otherwise stated. Figures marked with (*) are below the rounding off norm adopted by the Company.

### Note 58.

There were no significant adjusting events after end of the reporting period which require any adjustment or disclosure.

As per our report of even date
For **S.R. BATLIBOI & CO. LLP**
Chartered Accountants
Firm Registration Number 301003E/E300005
per **VISHAL SHARMA**
Partner
Membership Number : 096766

Place: New Delhi
Dated: May 15, 2024

For and on behalf of
**Board of Directors of Berger Paints India Limited**

**KULDIP SINGH DHINGRA**
Chairman
(DIN: 00048406)

**GURBACHAN SINGH DHINGRA**
Vice-Chairman
(DIN: 00048465)

**ABHIJIT ROY**
Managing Director & CEO
(DIN: 03439064)

**KAUSHIK GHOSH**
Vice President & CFO
(ACA: 059971)

**ARUNITO GANGULY**
Vice President & Company Secretary
(FCS: 9285)

Place: Kolkata
Dated: May 15, 2024



# Financial Summary of Berger Paints India Limited

## (Standalone) – Five Years at A Glance

₹ in Crores

| | 2023-24 | 2022-23 | 2021-22 | 2020-21 | 2019-20 |
|---|---|---|---|---|---|
| Revenue from Operations | 10,002.93 | 9,470.62 | 7,740.93 | 6,021.41 | 5,691.69 |
| % Growth | 5.62 | 22.34 | 28.56 | 5.79 | 3.19 |
| Other Income | 57.44 | 77.15 | 63.12 | 55.77 | 150.82 |
| Materials Consumed | 6,003.31 | 6,087.12 | 4,846.09 | 3,438.58 | 3,367.33 |
| Employee Benefits Expense | 537.27 | 458.12 | 400.58 | 352.71 | 342.52 |
| Other Expenses | 1,790.68 | 1,579.53 | 1,311.73 | 1,133.17 | 1024.05 |
| Operating Profit - EBITDA | 1,729.11 | 1,423.00 | 1,245.65 | 1,152.72 | 1,108.61 |
| % to Net Revenue | 17.29 | 15.03 | 16.09 | 19.14 | 19.48 |
| Depreciation/Amortization | 296.99 | 234.00 | 197.53 | 186.12 | 170.52 |
| Finance Cost | 64.66 | 86.28 | 42.93 | 33.22 | 32.68 |
| Profit Before Tax & Exceptional Item | 1,367.46 | 1,102.72 | 1,005.19 | 933.38 | 905.42 |
| Exceptional Items | - | - | - | (14.80) | - |
| Profit Before Tax | 1,367.46 | 1,102.72 | 1,005.19 | 918.58 | 905.42 |
| Tax Expense | 352.41 | 274.33 | 255.33 | 237.80 | 206.37 |
| Profit After Tax | 1,015.05 | 828.39 | 749.86 | 680.78 | 699.05 |
| Return On Net Worth ( % ) | 20.28 | 19.29 | 19.92 | 20.76 | 26.63 |
| Dividend -including Tax on Dividend | 310.86 | 301.11 | 271.96 | 29.14 | 424.31 |
| Retained Earnings ## | 1,015.05 | 828.39 | 749.86 | 680.78 | 699.05 |
| Shareholders' Funds: | | | | | |
| Share Capital | 116.58 | 97.14 | 97.13 | 97.13 | 97.12 |
| Reserves and Surplus | 4,888.66 | 4,198.05 | 3,666.76 | 3,182.48 | 2,527.92 |
| **Total** | **5,005.24** | **4,295.19** | **3,763.89** | **3,279.61** | **2,625.04** |
| Deferred Tax Liability (Net) | 37.06 | 25.57 | 23.18 | 26.38 | 29.14 |
| Borrowings | 64.41 | 674.70 | 515.56 | 155.44 | 222.46 |
| Other current and non-current liabilities | 2,474.95 | 2,404.63 | 2,323.27 | 1,906.65 | 1466.06 |
| **Equity And Liabilities** | **7,581.66** | **7,400.09** | **6,625.90** | **5,368.08** | **4,342.70** |
| Fixed Assets | 3,012.61 | 2,819.12 | 2,213.60 | 1,599.19 | 1554.42 |
| Investments | 796.77 | 771.55 | 681.42 | 585.87 | 468.63 |
| Other current and non-current assets | 3,772.28 | 3,809.42 | 3,730.88 | 3,183.02 | 2,319.65 |
| **Assets** | **7,581.66** | **7,400.09** | **6,625.90** | **5,368.08** | **4,342.70** |
| Debt - Equity Ratio | 0.01 : 1 | 0.16 : 1 | 0.14 : 1 | 0.05 : 1 | 0.08 : 1 |
| Cash Earnings Per Share (₹) | 11.25 | 9.11 | 9.75* | 8.92* | 8.95* |
| Earnings Per Share - Basic (₹) | 8.71 | 7.11 | 7.72* | 7.01* | 7.20* |
| Earnings Per Share - Diluted (₹) | 8.71 | 7.11 | 7.72* | 7.01* | 7.20* |
| Book Value Per Share (₹) | 42.93 | 36.84 | 38.74* | 33.76* | 27.03* |
| Dividend per share (₹) | 3.50 | 3.20 | 3.10 | 2.80 | 2.20 |
| Number of employees | 4,445 | 4,088 | 3,931 | 3,814 | 3,600 |

* On September 25, 2023, the Company had allotted 19,42,84,497 bonus shares of Rupee one each (fully paid up) in the proportion of 1 bonus share for every 5 fully paid up equity shares. However, impact of the bonus shares have not been considered in adjusting Cash earnings per share, Earnings per share (Basic & Diluted) and Book value per share for the previous financial years 2019-20, 2020-21 and 2021-22. Hence the numbers are not comparable with previous years.

## Retained Earnings includes Dividend payout.

FORM AOC-1

[Pursuant To First Proviso to sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014]

## Statement Containing Salient Features of the Financial Statement of Subsidiaries/Associate Companies/Joint Ventures

### Part "A" : Subsidiaries

₹ in Crores

| Sl. No. | Name of subsidiary | Berger Jenson & Nicholson (Nepal) Private Limited | Beepee Coatings Private Limited | SBL Specialty Coatings Private Limited | Berger Paints (Cyprus) Limited | Lusako Trading Limited | Berger Paints Overseas Limited | Bolix S.A | Build Trade sp. z.o.o | Bolix UKRAINE sp. z.o.o | Soltherm External Insulations Limited | Soltherm Isolations Thermique Exterieure SAS | Berger Hessee Wood Coatings Private Limited | Berger Rock Paints Private Limited | STP Limited |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Reporting Period | 13-03-2024 | 31-03-2024 | 31-03-2024 | 31-12-2023 | 31-12-2023 | 31-12-2023 | 31-12-2023 | 31-12-2023 | 31-12-2023 | 31-12-2023 | 31-12-2023 | 31-03-2024 | 31-03-2024 | 31-03-2024 |
| 2 | Reporting Currency | Nepalese Rupee | INR | INR | USD | USD | Russian Ruble | Polish Zloty | Polish Zloty | Ukranian hryvnia | GBP | EUR | INR | INR | INR |
| 3 | Exchange Rate as on last date of relevant Financial year in case of foreign subsidiaries | 1.60 | 1.00 | 1.00 | 83.12 | 83.12 | 0.93 | 21.12 | 21.12 | 2.19 | 106.11 | 92.00 | 1.00 | 1.00 | 1.00 |
| 4 | Share Capital (₹ in Crores) | 2.16 | 2.50 | 2.96 | 135.69 | 401.22 | 1.29 | 21.12 | 0.11 | 0.18 | 0.32 | 0.05 | 2.02 | 8.00 | 19.75 |
| 5 | Reserves & Surplus* (₹ in Crores) | 240.69 | 9.07 | 122.36 | (18.31) | (72.13) | (100.85) | 257.92 | (0.01) | 1.73 | 12.49 | 0.50 | (1.02) | (4.37) | 78.91 |
| 6 | Total assets* (₹ in Crores) | 293.75 | 60.07 | 166.57 | 117.43 | 329.13 | 28.01 | 445.59 | 0.09 | 2.90 | 62.73 | 3.22 | 13.91 | 16.88 | 201.95 |
| 7 | Total liabilities* (₹ in Crores) | 50.90 | 48.50 | 41.26 | 0.05 | 0.05 | 127.56 | 166.56 | 0.00 | 0.99 | 49.92 | 2.67 | 12.92 | 13.24 | 103.30 |
| 8 | Investments* (₹ in Crores) | - | 0.00 | 34.57 | - | 328.56 | - | 47.42 | 0.01 | 0.00 | 6.03 | 0.00 | - | - | - |
| 9 | Turnover* (₹ in Crores) | 212.31 | 35.03 | 181.07 | 0.00 | - | 17.74 | 373.27 | 0.00 | 15.14 | 92.52 | 12.38 | 23.11 | 31.27 | 365.14 |
| 10 | Profit/(loss) before taxation* (₹ in Crores) | 40.42 | (2.18) | 44.16 | (0.09) | (1.02) | 0.22 | 22.88 | (0.01) | 1.46 | 6.55 | 0.53 | 0.02 | 1.76 | 36.51 |
| 11 | Provision for taxation* (₹ in Crores) | 7.00 | 0.60 | 11.31 | 0.00 | 0.00 | 0.01 | 4.31 | 0.00 | 0.26 | 1.90 | 0.12 | 0.03 | 0.00 | 9.10 |
| 12 | Profit/(loss) after taxation (₹ in Crores) | 33.42 | (2.78) | 32.85 | (0.09) | (1.02) | 0.20 | 18.57 | (0.01) | 1.20 | 4.65 | 0.41 | (0.01) | 1.76 | 27.41 |
| 13 | Proposed Dividend | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 14 | % of shareholding | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 51% | 51% | 95.53% |

**Notes:** The following information shall be furnished at the end of the statement :

1. Names of subsidiaries which are yet to commence operations - Not Applicable.
2. Names of subsidiaries which have been liquidated or sold during the year - Not Applicable.
3. Figures marked with (*) are below the rounding off norms adopted by the Company.

For and on behalf of

**Board of Directors of Berger Paints India Limited**

**KULDIP SINGH DHINGRA** – Chairman (DIN: 00048406)
**GURBACHAN SINGH DHINGRA** – Vice-Chairman (DIN: 00048465)
**ABHIJIT ROY** – Managing Director & CEO (DIN: 03439064)
**KAUSHIK GHOSH** – Vice President & CFO (ACA – 059971)
**ARUNITO GANGULY** – Vice President & Company Secretary (FCS – 9285)

Place: New Delhi
Dated: May 15, 2024

### Part "B": Associates and Joint Ventures

## Statement Pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

| Sl. No. | Name of Associates/Joint Ventures | Berger Becker Coatings Private Limited (INR) | Berger Nippon Paint Automotive Coatings Private Limited Formely "BNB Coatings India Pvt. Ltd." (INR) | Surefire Management Services Limited (GBP) |
|---|---|---|---|---|
| | | Joint Venture | Joint Venture | Joint Venture |
| 1 | Latest audited Balance Sheet Date | 31-03-2024 | 31-03-2024 | 31-12-2023 |
| 2 | Shares of Associate / Joint Ventures held by the company on the year end | | | |
| | i) Number | 2,70,850 | 15,48,376 | 75,000 |
| | ii) Amount of Investment in Associates / Joint Venture | 2.71 | 154.84 | 0.32 |
| | iii) Extend of Holding % | 48.98% | 49.00% | 75.00% |
| 3 | Description of how there is significant influence | Shareholding more than 20% | Shareholding more than 20% | Bolix is a shareholder with 2 out of 4 directors nominated by Bolix S. A. |
| 4 | Reasons why the associate/ joint venture is not consolidated | BPIL does not have substantive rights | BPIL does not have substantive rights | Bolix is a shareholder with 2 out of 4 directors nominated by Bolix S. A. |
| 5 | Net worth attributable to shareholding as per latest audited Balance Sheet | 153.78 | 278.53 | -1.24 |
| 6 | Profit / (Loss) for the year | | | |
| | i) Considered in consolidation | 27.91 | 14.97 | -1.82 |
| | ii) Not Considered in consolidation | 29.08 | 15.58 | -0.61 |

**Notes:** The following information shall be furnished at the end of the statement :

1. Names of associates or joint ventures which are yet to commence operations - Not Applicable.
2. Names of associates or joint ventures which have been liquidated or sold during the year- Not Applicable.

For and on behalf of

**Board of Directors of Berger Paints India Limited**

**KULDIP SINGH DHINGRA** – Chairman (DIN: 00048406)
**GURBACHAN SINGH DHINGRA** – Vice-Chairman (DIN: 00048465)
**ABHIJIT ROY** – Managing Director & CEO (DIN: 03439064)
**KAUSHIK GHOSH** – Vice President & CFO (ACA – 059971)
**ARUNITO GANGULY** – Vice President & Company Secretary (FCS – 9285)

Place: New Delhi
Dated: May 15, 2024

# Independent Auditor's Report

## To the Members of Berger Paints India Limited

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the accompanying consolidated financial statements of Berger Paints India Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its joint ventures comprising of the consolidated Balance Sheet as at March 31 2024, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and joint ventures, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its joint ventures as at March 31, 2024, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

### Basis for Opinion

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

| Key audit matters | How our audit addressed the key audit matter |
|---|---|
| **Revenue recognition** *(as described in Note 3.6 and Note 35 of the consolidated financial statements)* | |
| The Group recognizes revenues when the control of goods and/or services are transferred to the customer at an amount that reflects the net consideration, which the Group expects to receive for those goods and/or services from customers in accordance with the terms of the contracts. In determining the sales price, the Group considers the effects of applicable rebates and discounts (variable consideration).<br><br>The terms of sales arrangements, including the timing of transfer of control, based on the terms of relevant contract and nature of discount and rebates arrangements, create complexities that require judgment in determining sales revenues. Considering the above factors and the risk associated with revenue recognition, we have determined the same to be a key audit matter. | Our audit procedures included the following:<br><br>1) We read and evaluated the Group's revenue recognition policy and assessed its compliance in terms of Ind AS 115 'Revenue from contracts with customers'.<br><br>2) We assessed the design and tested the operating effectiveness of internal controls related to sales and applicable rebates/discounts.<br><br>3) We performed test for a sample of individual revenue transactions by comparing the underlying sales invoices, sales orders and other related documents to assess that revenue is recognized on transfer of control to the customer in accordance with the terms of the contract.<br><br>4) We tested, on a sample basis, rebates and discount schemes against the underlying documents to assess that the actual rebates and discounts recognized are as per the approved schemes and are appropriately recorded.<br><br>5) We tested, on a sample basis, that revenue has been recognized in the proper period with reference to the supporting documents.<br><br>6) We tested underlying documentation for journal entries which were considered to be material related to revenue recognition.<br><br>7) We read and assessed the relevant disclosures made in the consolidated financial statements. |
| **Assessment of Impairment of Goodwill** *(as described in Note 45 of the consolidated financial statements)* | |
| The Group has goodwill in consolidated financial statements for the year ended March 31, 2024 including significant amount of such goodwill recognized in the consolidated financial statements of one of the subsidiaries. These are allocated to Cash Generating Units (CGUs) and are tested annually for impairment. This testing is done by computing the value in use based on discounted cash flow method. The value in use so determined is compared with the carrying values and if there is a deficit, impairment loss is recognised.<br><br>The inputs to the impairment testing model which have the most significant impact on the CGU's recoverable value include:<br><br>– Projected revenue growth, operating margins and operating cash-flows;<br><br>– Stable long-term growth rates till perpetuity; and<br><br>– Discount rates<br><br>Considering that the impairment assessment requires consideration of above inputs that involves significant management judgement, this has been identified as a key audit matter. | Our audit procedures included the following:<br><br>1) We obtained an understanding of the impairment assessment process and evaluated the design and tested the operating effectiveness of the controls in respect of the same.<br><br>2) In respect of the goodwill recognized in the consolidated financial statements of subsidiary, we made enquiries on audit procedures performed by the component auditor.<br><br>The audit procedures carried out by component auditor of the subsidiary includes the following:<br><br>a) Evaluated the methodology applied by the subsidiary in determining the CGUs to which goodwill is allocated.<br><br>b) Verified the recoverable amount ascertained by the management of the subsidiary under Discounted Cash Flow method based on business projection and valuation assumptions.<br><br>c) Discussed of potential changes in key drivers as compared to previous year/actual performance with management of the company to verify the inputs and assumptions used in the cash flow forecasts.<br><br>3) In respect of the goodwill related to companies other than the above step-down subsidiary, we have performed following procedures:<br><br>a) Evaluated management's key assumptions in respect of future sales growth rate, operating cash flows, perpetuity growth rate and discount rate used in impairment assessment.<br><br>b) Involved specialists to assist us in the evaluation of impairment exercise carried out by the management.<br><br>4) We performed sensitivity analysis to determine the impact of changes in the key assumptions.<br><br>5) We read and assessed the disclosures made in the consolidated financial statements. |

# Auditor's Report of the Consolidated Financial Statements (contd.)

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

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective companies and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for assessing the ability of their respective companies to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its joint ventures are also responsible for overseeing the financial reporting process of their respective companies.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its joint ventures of which we are the independent auditors, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Other Matter

We did not audit the financial statements and other financial information, in respect of nine (9) subsidiaries (including one (1) step down subsidiary), and consolidated financial statements and other financial information in respect of one (1) step-down subsidiary (including its four (4) step-down subsidiaries), whose financial statements include total assets of ₹1,710.63 crore as at March 31, 2024, and total revenues of ₹1,293.05 crore and net cash inflows of ₹29.76 crore for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other

## Auditor's Report of the Consolidated Financial Statements (contd.)

financial information and auditor's reports have been furnished to us by the management. The consolidated financial statements also include the Group's share of net profit of ₹41.02 crore for the year ended March 31, 2024, as considered in the consolidated financial statements, in respect of three (3) joint ventures (including one (1) joint venture included in the consolidated financial statements of a step-down subsidiary as referred above), whose financial statements and other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint ventures, is based solely on the reports of such other auditors.

Certain of these subsidiaries and the joint venture of a step-down subsidiary are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries (including the joint venture of the step-down subsidiary) located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries and the joint venture of the step-down subsidiary located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies and joint ventures, incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and joint ventures, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

   (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors except for the matters stated in the paragraph (i) (vi) below on reporting under Rule 11(g);

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

   (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies and joint ventures, none of the directors of the Group's companies and joint ventures, incorporated in India, is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(b) above on reporting under Section 143(3)(b) and paragraph (i)(vi) below on reporting under Rule 11(g);

   (g) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies and joint ventures, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (h) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries incorporated in India, the managerial remuneration for the year ended March 31, 2024 has been paid / provided by the Holding Company, its subsidiaries incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

   (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and joint ventures, as noted in the 'Other matter' paragraph:

      i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its joint ventures in its consolidated financial statements – Refer Note 50 to the consolidated financial statements;

      ii. The Group and its joint ventures did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2024;

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and joint ventures, incorporated in India during the year ended March 31, 2024.

      iv. a) The respective managements of the Holding Company and its subsidiaries and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and joint ventures respectively that, to the best of its knowledge and belief, other than as disclosed in the Note 57(vi)(I) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries and joint ventures to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries and joint ventures ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

         b) The respective managements of the Holding Company and its subsidiaries and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and joint ventures respectively that, to the best of its knowledge and belief, other than as disclosed in the Note 57(vi)(II) to the consolidated financial statements, no funds have been received by the respective Holding Company or any of such subsidiaries and joint ventures from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries and joint ventures shall, whether,

## Auditor's Report of the Consolidated Financial Statements (contd.)

directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

v) The final dividend paid by the Holding Company and its joint venture company incorporated in India during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 34 to the consolidated financial statements, the Board of Directors of the Holding Company has proposed final dividend for the year which is subject to the approval of the members of the Holding Company at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

vi) Based on our examination which included test checks and that performed by the respective auditors of the subsidiaries and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act, except for the instances discussed below and in note 59 to the consolidated financial statements.

a) In respect of Holding company, audit trail feature is not enabled for direct changes to data in the application and underlying database when using certain access rights and also for certain changes made using privileged/ administrative access rights.

b) In respect of software used by the Holding Company to maintain payroll records and operated by a third party service provider, in absence of service organisation controls report, management of the Holding Company is unable to determine whether audit trail feature of the underlying database was enabled/operated throughout the year or tampered with.

c) In respect of one subsidiary, audit trail feature is not enabled for changes to data in the application and underlying SQL database.

d) In respect of one subsidiary, audit trail feature is not enabled for changes to data in the underlying accounting software.

e) In respect of one subsidiary, audit trail feature is not maintained at the database level.

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

per **VISHAL SHARMA**
Partner
Membership Number: 096766
UDIN: 24096766BKFFRY9560

Place: New Delhi
Dated: May 15, 2024

## Annexure "1" Referred To In Paragraph 1 Under The Heading "Report On Other Legal And Regulatory Requirements" Of Our Report Of Even Date

**Re: Berger Paints India Limited ("the Holding Company")**

In terms of the information and explanations sought by us and given by the Holding Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief and based on the consideration of report of respective auditor of the subsidiary companies and joint ventures incorporated in India, we state that:

(xxi) Qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements are:

| Entity Name | CIN | Holding Company/Subsidiary/ Joint Venture | Clause number of the CARO report which is qualified or is adverse |
|---|---|---|---|
| Berger Paints India Limited | L51434WB1923PLC004793 | Holding Company | i (c) |
| | | | ii (b) |
| | | | vii (b) |
| SBL Specialty Coating Private Limited | U24231CH1994PTC015100 | Subsidiary | vii (b) |
| STP Limited | U23109WB1935PLC008423 | Subsidiary | i (c) |
| | | | vii (b) |
| Berger Nippon Paint Automotive Coatings Private Limited | U24100DL2007FTC165043 | Joint Venture | vii (b) |
| Berger Becker Coatings Private Limited | U74899DL1996PTC082343 | Joint Venture | vii (b) |

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

per **VISHAL SHARMA**
Partner
Membership Number: 096766
UDIN: 24096766BKFFRY9560

Place: New Delhi
Dated: May 15, 2024

# Annexure "2" to the Independent Auditor's Report of even date on the Consolidated Financial Statements of Berger Paints India Limited

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

In conjunction with our audit of the consolidated financial statements of Berger Paints India Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2024, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its joint ventures, which are companies incorporated in India, as of that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

### Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

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

### Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements

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

### Opinion

In our opinion, the Group and its joint ventures, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31,2024, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

### Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, in so far as it relates to three (3) subsidiaries and two(2) joint ventures, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries and joint ventures incorporated in India.

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

per **VISHAL SHARMA**
Partner
Membership Number: 096766
UDIN: 24096766BKFFRY9560

Place: New Delhi
Dated: May 15, 2024

# Consolidated Balance Sheet

As At March 31, 2024

₹ in Crores

| | Notes | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 4 | 2,515.94 | 2,536.14 |
| Capital work-in-progress | 5 | 187.34 | 110.19 |
| Goodwill | 6 | 304.66 | 281.69 |
| Other Intangible assets | 7(a) | 16.80 | 15.72 |
| Right-of-use assets | 49 | 662.32 | 498.02 |
| Intangible assets under development | 7(b) | 1.61 | 0.35 |
| Investments in joint ventures | 8a | 169.16 | 130.15 |
| Financial assets | | | |
| (a) Investments * | 8b | 0.00 | - |
| (b) Trade receivables | 9 | 20.93 | - |
| (c) Other financial assets | 10 | 98.71 | 127.76 |
| Deferred tax assets (net) | 26 | 0.86 | 0.76 |
| Income tax assets (net) | 11 | 48.51 | 68.18 |
| Other non-current assets | 12 | 23.79 | 33.76 |
| | | **4,050.63** | **3,802.72** |
| **Current assets** | | | |
| Inventories | 13 | 2,179.68 | 2,319.12 |
| Financial assets | | | |
| (a) Investments | 14 | 85.91 | 52.96 |
| (b) Trade receivables | 15 | 1,302.02 | 1,243.12 |
| (c) Cash and cash equivalents | 16 | 240.26 | 116.17 |
| (d) Bank balances other than (c) above | 17 | 210.39 | 128.52 |
| (e) Loans | 18 | 43.07 | 4.09 |
| (f) Other financial assets | 19 | 71.39 | 52.46 |
| Other current assets | 20 | 185.31 | 248.01 |
| | | **4,318.03** | **4,164.45** |
| **Total assets** | | **8,368.66** | **7,967.17** |
| **Equity and Liabilities** | | | |
| **Equity** | | | |
| Equity share capital | 21 | 116.58 | 97.14 |
| Other equity | 22 | 5,262.39 | 4,396.98 |
| Equity attributable to equity holders of the parent | | **5,378.97** | **4,494.12** |
| Non-controlling interest | 22 | 10.20 | 8.14 |
| **Total Equity** | | **5,389.17** | **4,502.26** |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Financial liabilities | | | |
| (a) Borrowings | 23 | 6.00 | 7.77 |
| (b) Lease liabilities | 49 | 442.27 | 334.64 |
| (c) Other financial liabilities | 24 | 72.35 | 76.10 |
| Provisions | 25 | 12.93 | 11.92 |
| Deferred tax liabilities (net) | 26 | 70.79 | 55.85 |
| Other non-current liabilities | 27 | 12.64 | 4.08 |
| | | **616.98** | **490.36** |
| **Current liabilities** | | | |
| Financial liabilities | | | |
| (a) Borrowings | 28 | 199.44 | 759.88 |
| (b) Lease liabilities | 49 | 105.58 | 86.68 |
| (c) Trade payables | 29 | | |
| i) Total outstanding dues of micro enterprises and small enterprises | | 60.46 | 101.95 |
| ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | | 1,618.75 | 1,663.74 |
| (d) Other financial liabilities | 30 | 150.68 | 152.88 |
| Other current liabilities | 31 | 143.22 | 123.73 |
| Provisions | 32 | 61.57 | 67.25 |
| Income tax Liabilities (net) | 33 | 22.81 | 18.44 |
| | | **2,362.51** | **2,974.55** |
| **Total liabilities** | | **2,979.49** | **3,464.91** |
| **Total equity and liabilities** | | **8,368.66** | **7,967.17** |

*Refer Note 60

**Summary of material accounting policies** 3

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

As per our report of even date
For **S.R. BATLIBOI & CO. LLP**
Chartered Accountants
Firm Registration Number 301003E/E300005
per **VISHAL SHARMA**
Partner
Membership Number: 096766

Place: New Delhi
Dated: May 15, 2024

For and on behalf of
**Board of Directors of Berger Paints India Limited**

**KULDIP SINGH DHINGRA**
Chairman
(DIN: 00048406)

**GURBACHAN SINGH DHINGRA**
Vice-Chairman
(DIN: 00048465)

**ABHIJIT ROY**
Managing Director & CEO
(DIN: 03439064)

**KAUSHIK GHOSH**
Vice President & CFO
(ACA: 059971)

**ARUNITO GANGULY**
Vice President & Company Secretary
(FCS: 9285)

Place: Kolkata
Dated: May 15, 2024



# Consolidated Statement of Profit and Loss

For the year ended March 31, 2024

₹ in Crores

| | Notes | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|---|
| **Income** | | | |
| Revenue from operations | 35 | 11,198.92 | 10,567.84 |
| Other income | 36 | 63.68 | 51.57 |
| **Total income** | | **11,262.60** | **10,619.41** |
| **Expenses** | | | |
| Cost of materials consumed | 37 | 5,597.48 | 5,852.62 |
| Purchases of stock-in-trade | 38 | 923.77 | 971.14 |
| (Increase)/decrease in inventories of finished goods, stock-in-trade and work-in-progress | 39 | 124.75 | (93.24) |
| Employee benefits expense | 40 | 713.03 | 609.19 |
| Finance costs | 41 | 78.25 | 99.23 |
| Depreciation and amortisation expense | 42 | 330.88 | 264.03 |
| Other expenses | 43 | 1,978.57 | 1,740.93 |
| **Total expenses** | | **9,746.73** | **9,443.90** |
| **Profit before share of profit/(loss) in joint ventures and tax** | | **1,515.87** | **1,175.51** |
| Share of profit/(loss) in joint ventures | 8a | 41.02 | (13.17) |
| **Profit before tax** | | **1,556.89** | **1,162.34** |
| **Tax expense** | | | |
| Current tax | | 375.46 | 299.03 |
| Deferred tax charge | 26 | 11.61 | 2.91 |
| **Total tax expense** | | **387.07** | **301.94** |
| **Profit for the year (I)** | | **1,169.82** | **860.40** |
| **Other comprehensive income/(loss):** | | | |
| (i) Other comprehensive income/ (loss) not to be reclassified to profit or loss in subsequent periods: | | | |
| Re-measurement loss on defined benefit obligations (net) | | (0.22) | (0.85) |
| Income tax effect thereof | | 0.06 | 0.22 |
| Share of Other comprehensive income in Joint Venture (net of tax) | | 0.05 | 0.02 |
| (ii) Other comprehensive income to be reclassified to profit or loss in subsequent periods: | | | |
| Exchange differences on translation of foreign operations | | 22.40 | 4.97 |
| **Other comprehensive income for the year (II)** | | **22.29** | **4.36** |
| **Total comprehensive income for the year (I + II)** | | **1,192.11** | **864.76** |
| **Profit attributable to:** | | | |
| -Equity holders of the parent | | 1,167.74 | 859.42 |
| -Non-controlling interest | | 2.08 | 0.98 |
| | | **1,169.82** | **860.40** |
| **Other comprehensive income/(loss) attributable to** | | | |
| -Equity holders of the parent | | 22.31 | 4.37 |
| -Non-controlling interest | | (0.02) | (0.01) |
| | | **22.29** | **4.36** |
| **Total comprehensive income attributable to** | | | |
| -Equity holders of the parent | | 1,190.05 | 863.79 |
| -Non-controlling interest | | 2.06 | 0.97 |
| | | **1,192.11** | **864.76** |
| **Earnings per equity share of ₹1 each** | 44 | | |
| Basic (amount in ₹) | | 10.02 | 7.37 |
| Diluted (amount in ₹) | | 10.02 | 7.37 |

**Summary of material accounting policies** 3

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

As per our report of even date
For **S.R. BATLIBOI & CO. LLP**
Chartered Accountants
Firm Registration Number 301003E/E300005
per **VISHAL SHARMA**
Partner
Membership Number: 096766

Place: New Delhi
Dated: May 15, 2024

For and on behalf of
**Board of Directors of Berger Paints India Limited**

**KULDIP SINGH DHINGRA**
Chairman
(DIN: 00048406)

**GURBACHAN SINGH DHINGRA**
Vice-Chairman
(DIN: 00048465)

**ABHIJIT ROY**
Managing Director & CEO
(DIN: 03439064)

**KAUSHIK GHOSH**
Vice President & CFO
(ACA: 059971)

**ARUNITO GANGULY**
Vice President & Company Secretary
(FCS: 9285)

Place: Kolkata
Dated: May 15, 2024

# Consolidated Statement of Changes in Equity

for the year ended March 31, 2024

## a. Equity Share Capital (Refer Note 21):

| Particulars | No. of shares | Amount (₹ in Crores) |
|---|---|---|
| Equity shares of ₹1 each issued, subscribed and fully paid | | |
| **As at April 1, 2022** | **97,13,23,489** | **97.13** |
| Add: Issue of Shares on exercise of Employee Stock Options (Note 48) | 98,996 | 0.01 |
| **As at March 31, 2023** | **97,14,22,485** | **97.14** |
| Add: Issue of Shares on exercise of Employee Stock Options (Note 48) | 89,067 | 0.01 |
| Add: Bonus shares issued (Note 21) | 19,42,84,497 | 19.43 |
| **As at March 31, 2024** | **1,16,57,96,049** | **116.58** |

## b. Other equity (Refer Note 22)

For the year ended March 31, 2024 — ₹ in Crores

| Particulars | Reserves & Surplus | | | | | | Foreign currency translation reserve | Equity attributable to equity holders of the parent | Non-Controlling Interest | Total Equity |
|---|---|---|---|---|---|---|---|---|---|---|
| | Securities premium | Share based payment reserve | Retained earnings | Capital reserve | General reserve | Capital Redemption reserve | | | | |
| **As at April 1, 2023 (A)** | **127.47** | **4.58** | **3,977.96** | **0.19** | **302.87** | **0.04** | **(16.13)** | **4,396.98** | **8.14** | **4,405.12** |
| Profit for the year | – | – | 1,167.74 | – | – | – | – | 1,167.74 | 2.08 | 1,169.82 |
| Other comprehensive income for the year (net of tax) | – | – | (0.09) | – | – | – | 22.40 | 22.31 | (0.02) | 22.29 |
| **Total Comprehensive Income for the year (B)** | **–** | **–** | **1,167.65** | **–** | **–** | **–** | **22.40** | **1,190.05** | **2.06** | **1,192.11** |
| Share based payments (Note 48) | - | 6.04 | – | – | – | – | – | 6.04 | – | 6.04 |
| Exercise of share options (Note 48) | 5.17 | (5.17) | – | – | – | – | – | – | – | – |
| Share Options forfeited/ lapsed (Note 48) | – | (0.33) | – | – | – | – | – | (0.33) | – | (0.33) |
| Transfer to housing reserves (Note 32) | – | – | (0.06) | – | – | – | – | (0.06) | – | (0.06) |
| Dividends (Note 34) | – | – | (310.86) | – | – | – | – | (310.86) | – | (310.86) |
| Bonus Shares (Note 21) | (19.43) | – | – | – | – | – | – | (19.43) | – | (19.43) |
| **Total (C)** | **(14.26)** | **0.54** | **(310.92)** | **–** | **–** | **–** | **–** | **(324.64)** | **–** | **(324.64)** |
| **As at March 31, 2024 (A+B+C)** | **113.21** | **5.12** | **4,834.69** | **0.19** | **302.87** | **0.04** | **6.27** | **5,262.39** | **10.20** | **5,272.59** |



Consolidated Statement of Changes in Equity

for the year ended March 31, 2024

## b. Other equity (Refer Note 22) (contd.)

**For the year ended March 31, 2023** — ₹ in Crores

| Particulars | Reserves & Surplus | | | | | | Foreign currency translation reserve | Equity attributable to equity holders of the parent | Non-Controlling Interest | Total Equity |
|---|---|---|---|---|---|---|---|---|---|---|
| | Securities premium | Share based payment reserve | Retained earnings | Capital reserve | General reserve | Capital Redemption reserve | | | | |
| **As at April 1, 2022 (A)** | **120.72** | **6.77** | **3,420.37** | **0.19** | **302.87** | **0.04** | **(21.10)** | **3,829.86** | **7.17** | **3,837.03** |
| Profit for the year | – | – | 859.42 | – | – | – | – | 859.42 | 0.98 | 860.40 |
| Other comprehensive income for the year (net of tax) | – | – | (0.60) | – | – | – | 4.97 | 4.37 | (0.01) | 4.36 |
| **Total Comprehensive Income for the year (B)** | **–** | **–** | **858.82** | **–** | **–** | **–** | **4.97** | **863.79** | **0.97** | **864.76** |
| Share based payments (Note 48) | – | 5.93 | – | – | – | – | – | 5.93 | – | 5.93 |
| Exercise of share options (Note 48) | 6.75 | (6.75) | – | – | – | – | – | – | – | – |
| Share Options forfeited/ lapsed (Note 48) | – | (1.37) | – | – | – | – | – | (1.37) | – | (1.37) |
| Transfer to housing reserves (Note 32) | – | – | (0.12) | – | – | – | – | (0.12) | – | (0.12) |
| Dividends (Note 34) | – | – | (301.11) | – | – | – | – | (301.11) | – | (301.11) |
| **Total (C)** | **6.75** | **(2.19)** | **(301.23)** | **–** | **–** | **–** | **–** | **(296.67)** | **–** | **(296.67)** |
| **As at March 31, 2023 (A+B+C)** | **127.47** | **4.58** | **3,977.96** | **0.19** | **302.87** | **0.04** | **(16.13)** | **4,396.98** | **8.14** | **4,405.12** |

**Summary of material accounting policies** 3

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

As per our report of even date

For **S.R. BATLIBOI & CO. LLP**
Chartered Accountants
Firm Registration Number 301003E/E300005
per **VISHAL SHARMA**
Partner
Membership Number: 096766

Place: New Delhi
Dated: May 15, 2024

For and on behalf of

**Board of Directors of Berger Paints India Limited**

**KULDIP SINGH DHINGRA**
Chairman
(DIN: 00048406)

**GURBACHAN SINGH DHINGRA**
Vice-Chairman
(DIN: 00048465)

**ABHIJIT ROY**
Managing Director & CEO
(DIN: 03439064)

**KAUSHIK GHOSH**
Vice President & CFO
(ACA: 059971)

**ARUNITO GANGULY**
Vice President & Company Secretary
(FCS: 9285)

Place: Kolkata
Dated: May 15, 2024

# Consolidated Cash Flow Statement

For the year ended March 31, 2024

₹ in Crores

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| **A. Cash flows from operating activities:** | | |
| **Profit before tax** | **1,556.89** | **1162.34** |
| Adjustments to reconcile profit before tax to net cash flows: | | |
| Depreciation and amortisation expense | 330.88 | 264.03 |
| (Profit)/Loss on sale/discard of Property, plant and equipment and intangible assets | (1.24) | 3.76 |
| Share based payment to employees | 5.71 | 4.56 |
| Sundry balances written back | (5.14) | (3.49) |
| Gain on early termination of leases | (3.20) | (3.65) |
| Net foreign exchange differences | 0.14 | (1.75) |
| Provision for bad and doubtful debts (net) | 21.31 | 22.70 |
| Net gain on sale of mutual fund investments measured at Fair Value Through Profit or Loss (FVTPL) | (6.16) | (1.95) |
| Fair value gain on mutual fund investments measured at Fair Value Through Profit or Loss (FVTPL) | (1.47) | (0.30) |
| Share of (profit)/loss in joint venture | (41.02) | 13.17 |
| Finance costs | 78.25 | 99.23 |
| Interest income | (25.54) | (15.87) |
| **Operating profit before working capital changes** | **1,909.41** | **1,542.78** |
| Adjustments for: | | |
| Decrease in trade payables | (82.69) | (37.24) |
| Increase/(Decrease) in other financial liabilities | (22.78) | 12.34 |
| Increase in other liabilities | 27.99 | 31.23 |
| Increase/(Decrease) in provisions | (4.64) | 19.35 |
| (Increase)/Decrease in loans, deposits and other financial assets | 15.46 | (41.41) |
| (Increase)/Decrease in other assets | 60.74 | (28.27) |
| Increase in trade receivables | (103.31) | (212.14) |
| (Increase)/Decrease in inventories | 139.43 | (3.29) |
| **Cash generated from operations** | **1,939.61** | **1,283.35** |
| Direct taxes paid (net of refunds) | (348.56) | (307.78) |
| **Net cash flows from operating activities (A)** | **1,591.05** | **975.57** |
| **B. Cash flows from investing activities:** | | |
| Purchase of property, plant and equipment and intangible assets (including capital work in progress and intangible assets under development) | (274.99) | (748.04) |
| Proceeds from sale of property, plant and equipment and intangible assets | 4.46 | 4.19 |
| Loan given to a Joint Venture | (38.98) | (4.09) |
| Proceeds from sale of current investments | 1,572.10 | 787.71 |
| Purchase of current investments | (1,597.42) | (751.15) |
| Proceeds from maturity of fixed deposits with banks | 123.97 | 244.87 |
| Investment in fixed deposits with banks | (204.79) | (150.92) |
| Dividend received a Joint Venture | 2.06 | 3.76 |
| Interest received | 15.53 | 13.42 |
| **Net cash used in investing activities (B)** | **(398.06)** | **(600.25)** |
| **C. Cash flows from financing activities:** | | |
| Proceeds from issuance of equity share capital | 0.01 | 0.01 |
| Net movement in cash credit | 19.65 | (16.05) |
| Movement in long term borrowings | (1.49) | (65.91) |
| Proceeds from short term borrowings | 6,445.21 | 8,414.00 |
| Repayment of short term borrowings | (7,025.58) | (8,232.32) |
| Payment of lease liabilities | (159.91) | (100.00) |
| Interest paid | (35.90) | (61.47) |
| Dividend paid | (310.86) | (301.11) |
| **Net cash used in financing activities (C)** | **(1,068.87)** | **(362.85)** |
| **Net Increase in cash and cash equivalents [A+B+C]** | **124.12** | **12.47** |
| **Cash and cash equivalents as at the beginning of the year (Refer Note 16)** | **116.17** | **103.30** |
| Effects of exchange rate changes on cash and cash equivalents | **(0.03)** | **0.40** |
| **Cash and cash equivalents as at end of the year (Refer Note 16)** | **240.26** | **116.17** |
| **Components of cash and cash equivalents** | | |
| Balances with banks (Refer Note 16): | | |
| – On current accounts | 175.66 | 84.63 |
| – Deposits with original maturity of less than three months | 62.02 | 30.37 |
| Cheques/drafts on hand | 2.11 | 0.42 |
| Cash on hand | 0.47 | 0.75 |
| **Total cash and cash equivalents** | **240.26** | **116.17** |

* Refer Note 60

**Summary of material accounting policies** 3

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

As per our report of even date
For **S.R. BATLIBOI & CO. LLP**
Chartered Accountants
Firm Registration Number 301003E/E300005
per **VISHAL SHARMA**
Partner
Membership Number: 096766

Place: New Delhi
Dated: May 15, 2024

For and on behalf of
**Board of Directors of Berger Paints India Limited**

**KULDIP SINGH DHINGRA**
Chairman
(DIN: 00048406)

**GURBACHAN SINGH DHINGRA**
Vice-Chairman
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**ABHIJIT ROY**
Managing Director & CEO
(DIN: 03439064)

**KAUSHIK GHOSH**
Vice President & CFO
(ACA: 059971)

**ARUNITO GANGULY**
Vice President & Company Secretary
(FCS: 9285)

Place: Kolkata
Dated: May 15, 2024



# Notes to Consolidated Financial Statements

As at and for the year ended March 31, 2024

## 1. Corporate Information

The Consolidated Financial Statements comprise financial statements of Berger Paints India Limited ('BPIL' or 'the Parent Company' or 'the Company') and its subsidiaries (collectively, the Group) and includes share of profit/loss of the joint ventures for the year ended 31 March 2024. The Parent Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on three recognised stock exchanges in India. The registered office of the Parent Company is located at Berger House, 129, Park Street, Kolkata-700 017.

The Group is principally engaged in the manufacturing and selling of paints. The Group caters primarily to domestic market. Information on the Group's structure is provided in Note 46. Information on other related party relationships of the Group is provided in Note 51.

The Consolidated Financial Statements were approved for issue in accordance with a resolution of the Board of directors on May 15, 2024.

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## 2. Material Accounting Policies

### 2.1 Basis of preparation

These Consolidated Financial Statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the Consolidated Financial Statements.

These Consolidated Financial Statements have been prepared on a historical cost basis, except for certain assets and liabilities which have been measured at fair values. (refer accounting policy regarding financial instruments). The Consolidated Financial Statements are presented in INR and all values are rounded-off to the nearest crores with 2 decimal places (INR 00,00,000), except when otherwise indicated. These Consolidated Financial Statements provide comparative information in respect of the previous period. The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

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

### 2.2 Basis of consolidation

The Consolidated Financial Statements comprise the financial statements of the Parent Company, its subsidiaries and joint ventures as at March 31, 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

## Notes to Consolidated Financial Statements (contd.)

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

The Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the Consolidated Financial Statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the Consolidated Financial Statements to ensure conformity with the group's accounting policies.

**Consolidation procedure:**

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Parent Company with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the Consolidated Financial Statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the Parent Company's investment in each subsidiary and the Parent Company's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the Consolidated Financial Statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

(d) The translation of the functional currencies into Indian Rupees (functional and presentation currency) of foreign subsidiaries is performed for assets and liabilities using closing exchange rates at the Balance Sheet date, for revenues, costs, and expenses using average rates prevailing during the period. The resultant exchange difference arising out of such transactions is recognized as part of Other Comprehensive Income as Foreign Currency Translation Reserve by the Parent Company until the disposal of Investment.



Notes to Consolidated Financial Statements (contd.)

(e) Joint Ventures are entities over which the Group has joint control along with third parties. Investments in Joint Ventures are accounted for using the equity method of accounting. The investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of profit or loss of the investee after the acquisition date.

(f) Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non- controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

(g) Accounting period of the subsidiaries and joint ventures are disclosed in note 46 of the Consolidated Financial Statements.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Recognise that distribution of shares of subsidiary to Group in Group's capacity as owners
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or transferred directly to retained earnings, if required by other Ind ASs as would be required if the Group had directly disposed of the related assets or liabilities

## 3. Summary of Material Accounting Policies

### 3.1. Business combination and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed in the periods in which the costs are incurred and the services are received, with the exception of the costs of issuing debt or equity securities that are recognised in accordance with Ind AS 32 and Ind AS 109.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

## Notes to Consolidated Financial Statements (contd.)

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Potential tax effects of temporary differences and carry forwards of an acquiree that exist at the acquisition date or arise as a result of the acquisition are accounted in accordance with Ind AS 12.
- Liabilities or equity instruments related to share-based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
- Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.
- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset



Notes to Consolidated Financial Statements (contd.)

in the unit. Any impairment loss for goodwill is recognised in Statement of Profit and Loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

On disposal of a CGU to which goodwill is allocated, the goodwill associated with the disposed CGU is included in the carrying amount of the CGU when determining the gain or loss on disposal.

### 3.2. Investment in joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its joint venture are accounted for using the equity method. Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The Statement of Profit and Loss reflects the Group's share of the results of operations of the joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture.

If an entity's share of losses of a joint venture equals or exceeds its interest in the joint venture (which includes any long-term interest that, in substance, form part of the Group's net investment in the joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture. If the joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of a joint venture is shown on the face of the Statement of Profit and Loss.

When necessary, adjustments are made to bring the accounting policies in line with those of the Group. After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognises the loss as 'Share of profit of a joint venture' in the Statement of Profit and Loss.

## Notes to Consolidated Financial Statements (contd.)

### 3.3. Current and Non-Current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The group has identified twelve months as its operating cycle.

### 3.4. Foreign Currencies

The Group's Consolidated Financial Statements are presented in INR, which is also the Parent Company's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

The functional currency of Berger Paints India Limited (Holding Company), Beepee Coatings Private Limited, STP Limited, SBL Specialty Coatings Private Ltd, Berger Rock Paints Private Limited, Berger Becker Coatings Private Limited (Joint Venture) and Berger Nippon Paint Automotive Coatings Private Limited (Joint Venture) is Indian Rupee. The functional currency of other subsidiaries including step down subsidiaries and step-down joint venture included within the Group are the respective local currencies.

#### Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the group uses an average rate if the average approximates the actual rate at the date of the transaction.



Notes to Consolidated Financial Statements (contd.)

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of the following:

- Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognised in Statement of profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity (e.g., Consolidated Financial Statements when the foreign operation is a subsidiary), such exchange differences are recognised initially in OCI. These exchange differences are reclassified from equity to profit or loss on disposal of the net investment.
- Exchange differences arising on monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss.
- Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

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

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the de-recognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

#### Group companies

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their Statements of Profit and Loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in Statement of Profit and Loss.

Any goodwill arising in the acquisition/ business combination of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Any goodwill or fair value adjustments arising in business combinations/ acquisitions, which occurred before the date of transition to Ind AS, are treated as assets and liabilities of the entity rather than as assets and liabilities of the foreign operation. Therefore, those assets and liabilities are non-monetary

items already expressed in the functional currency of the Holding Company and no further translation differences occur.

Gain or loss on a subsequent disposal of any foreign operation excludes translation differences that arose before the date of transition but includes only translation differences arising after the transition date.

### 3.5. Fair Value Measurement

The Group measures financial instruments at fair value at each balance sheet date.

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

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability The principal or the most advantageous market must be accessible by the Group.

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

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

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

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

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

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

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

The Group determines the policies and procedures for both recurring fair value measurement, such as unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for sale in discontinued operations, if any.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets, and significant liabilities, such as contingent consideration. Involvement of external valuers



Notes to Consolidated Financial Statements (contd.)

is decided upon annually by the management after discussion with and approval by the Company's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents

### 3.6. Revenue from contract with customer

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Group as part of the contract, excluding amounts collected on behalf of third parties.

**Sale of Goods**

Revenue from sale of goods is recognised on transfer of control in the goods to customers at a point of time by performance of obligation towards delivery or as per customers' instruction. The normal credit term is 30 to 90 days upon delivery. The revenue is based on the consideration defined in the contract with a customer, including variable consideration, such as discounts, volume rebates, rights to return or other contractual reductions. As the period between the date on which the Group transfers the promised goods to the customer and the date on which the customer pays for these goods is generally one year or less, no financing components are considered. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated.

The Group provides volume rebates to certain customers once the quantity of products purchased by the customers during the period exceeds a threshold specified in the contract. Generally, rebates are offset against the amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the Group applies the expected value method.

Certain contracts provide a customer with a right to return the goods within a specified period. The Group uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in Ind AS on constraining estimates of variable consideration to are also applied in order to determine the amount of variable consideration that can be included in the transaction price.

**Revenue from Combined Contracts**

Revenue from combined contracts is recognised in accordance with terms and condition of underlying contracts:

- at a point of time when such combined output is delivered to customers' satisfaction and the customers acknowledge their obligation to pay for such output
- over time by measuring progress towards satisfaction of performance obligation for the services rendered using output method based on milestones reached.

**Interest income**

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and effective interest rate applicable.

**Dividend income**

Dividend income from investments is recognised when the right to receive payment has been established.

**Trade receivables**

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in sections "Financial instruments – initial recognition and measurement" and "Financial instruments - subsequent measurement". Refer note no. 3.22

## 3.7. Government Grants

Government grants and subsidies are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant or subsidy relates to revenue and is related to the corresponding costs, it is recognised as income on a systematic basis in the Statement of Profit and Loss, under Other Operating Revenue. over the periods necessary to match them with the related costs, which they are intended to compensate. When the grant or subsidy relates to an asset, it is deducted from the carrying amount of the asset. The grant is recognised in the Statement of Profit and Loss over the useful life of the depreciable asset by way of a reduced depreciation charge.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to Statement of Profit or Loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e., by equal annual instalments.

## 3.8. Taxes

Tax expense comprises current income tax expense and deferred tax.

**Current Income Tax**

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

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. The group shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.





**Deferred Tax**

Deferred tax is provided using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Consolidated Financial Statements at the reporting date. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss).

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences.
- In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

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

In assessing the recoverability of deferred tax assets, the Group relies on the same forecast assumptions used elsewhere in the financial statements and in other management reports, which, among other things, reflect the potential impact of climate-related development on the business, such as increased cost of production as a result of measures to reduce carbon emission.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Current and deferred tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in Other Comprehensive Income (OCI) or directly in equity. In this case, the tax is also recognised in OCI or directly in equity, respectively.

In the situations where the Group is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of temporary differences which reverse during the tax holiday period, to the extent the Group's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognised in

the year in which the temporary differences originate. However, the Group restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.

**Goods and Service tax paid on acquisition of assets or on incurring expenses**

Expenses and assets are recognised net of the amount of Goods and Service tax paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of tax included, the net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

## 3.9. Property, Plant and Equipment

Property, plant and equipment (PPE) are carried at cost of acquisition, on current cost basis less accumulated depreciation and accumulated impairment losses, if any. Cost comprises purchase price and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Machinery spares which can be used only in connection with an item of property, plant and equipment and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in Statement of Profit and Loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Refer to note 45 regarding significant accounting judgements, estimates and assumptions and provisions for further information about the recorded decommissioning provision.

Subsequent expenditure would be recognized in the carrying amount of PPE when that cost/ expense would meet the recognition criteria given in paragraph 7 of Ind AS 16 i.e., it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

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

- Plant and Machinery: 3 years to 21.05 years
- Motor Vehicles: 6.67 years
- Tinting Machines: Based on useful lives of 60 months
- No depreciation is provided on freehold land





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

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. The Group also considers the impact of health, safety and environmental legislation in its assessment of expected useful lives and estimated residual values. Furthermore, the Group considers climate-related matters, including physical and transition risks. Specifically, the Group determines whether climate-related legislation and regulations might impact either the useful life or residual values.

### 3.9.1 Capital work in progress

Cost of assets not ready for intended use, as the balance sheet date, is shown as capital work in progress. Capital work in progress is stated at cost, net of accumulated impairment loss, if any.

## 3.10. Intangible Assets

Intangible Assets are recognized only when future economic benefits arising out of the assets flow to the enterprise and are amortised over their useful life ranging from 3 to 5 years. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in Statement of Profit and Loss in the period in which the expenditure is incurred. The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is de-recognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is de-recognised.

## 3.11. Research and Development

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

## Notes to Consolidated Financial Statements (contd.)

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

(a) it is technically feasible to complete the intangible asset so that it will be available for use or sale.

(b) the Group intends to complete the intangible asset and use or sell it.

(c) the Group has ability to use or sell the intangible asset.

(d) the Group can demonstrate how the intangible asset will generate probable future economic benefits.

(e) the Group has adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.

(f) the Group has ability to measure reliably the expenditure attributable to the intangible asset during its development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

During the period of development, the asset is tested for impairment annually.

### 3.12. Borrowing Costs

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

### 3.13. Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**As a lessee**

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of- use assets representing the right to use the underlying assets.



Notes to Consolidated Financial Statements (contd.)

**i) Right-of-use assets**

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the present value of lease payments to be made over the lease term, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Leasehold Land and Building 2 years to 99 years

If ownership of the leased asset transfers to the group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 3.15 Impairment of non-financial assets.

**ii) Lease Liabilities**

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the group and payments of penalties for terminating the lease, if the lease term reflects the group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments. (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in Note 49.

**iii) Short-term leases and leases of low-value assets**

The Group applies the short-term lease recognition exemption to its short-term leases of properties taken on rent (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to properties that are of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

**As a lessor**

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

## 3.14. Inventories

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

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

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

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

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

## 3.15. Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset including goodwill may be impaired. If any indication exists, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than it's carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

The Group assesses where climate risks could have a significant impact, such as the introduction of emission- reduction legislation that may increase manufacturing costs. These risks in relation to climate-related matters are included as key assumptions where they materially impact the measure of recoverable amount, these assumptions have been included in the cash-flow forecasts in assessing value-in-use amounts, as applicable.

## 3.16. Provisions and Contingencies

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

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

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

The impact of climate-related matters on remediation of environmental damage is considered with determining the decommissioning liability on the manufacturing facility.

If the Group has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Group recognises any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits

expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it.

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

### 3.17. Employee Benefits

**Short-term Employee Benefits:**

Liabilities for short-term employee benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as 'Employee Benefits Payable' within 'Other Financial Liabilities' in the Balance Sheet.

**Post-employment Benefits:**

**I. Defined Contribution Plan**

**a. Superannuation**

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

**b. Provident Fund**

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

**II. Defined Benefit Plan**

**a. Gratuity**

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





is recognised as a gain/loss in the Statement of Profit and Loss. Any asset arising out of this calculation is limited to the past service cost plus the present value of available refunds and reduction in future contributions.

**b. Provident Fund**

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

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

**III. Long Term Compensated Absences**

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

### 3.18. Employees Stock Option

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

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

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

If the options vests in instalments (i.e., the options vest pro rata over the service period), then each instalment is treated as a separate share option grant because each instalment has a different vesting period.

## Notes to Consolidated Financial Statements (contd.)

### 3.19. Cash and Cash Equivalents

Cash and cash equivalent for the purpose of presentation in Cash Flow Statement and in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash, which are subject to an insignificant risk of changes in value.

### 3.20. Forward Currency Contracts

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

### 3.21. Earnings Per Share

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

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

### 3.22. Financial Instruments

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

#### A. Financial assets

##### i. Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price. The Group has elected the practical expedient in Ind AS 115 about the existence of significant financing component and the disclosures pertaining to contracts with original expected duration of one year or less and contracts where revenue recognised corresponds to the value transferred to customer typically involving sales of products.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.



Notes to Consolidated Financial Statements (contd.)

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

##### ii. Subsequent measurement

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

- Debt instruments at amortised cost
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)
- Financial assets at fair value through profit or loss.

**Debt instruments at amortised cost other than derivative contracts**

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

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

This assessment is referred to as the Solely Payments of Principal and Interest (SPPI) test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

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

**Equity investments**

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

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

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

**iii. De-recognition**

A financial asset (or, where applicable, a part of a financial asset or part of a Group's similar financial assets) is primarily de-recognised when:

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

**iv. Impairment of financial assets**

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

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

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

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

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

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

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





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

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

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

**B. Financial liabilities**

**i. Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowing or payables, as appropriate.

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

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

**ii. Subsequent measurement**

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

**Financial liabilities at fair value through profit or loss**

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

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

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

## Notes to Consolidated Financial Statements (contd.)

**Trade Payables**

Trade payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

**Loans and borrowings**

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

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

**Financial guarantee contracts**

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the lender for a loss it incurs because the specified borrower fails to make a payment when due in accordance with the terms of a loan agreement. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

**De-recognition**

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

**Reclassification of Financial Assets and Liabilities:**

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.



Notes to Consolidated Financial Statements (contd.)

The following table shows various reclassification and how they are accounted for:

| Original classification | Revised classification | Accounting treatment |
|---|---|---|
| Amortised cost | FVTPL | Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is derecognised in profit or loss. |
| FVTPL | Amortised Cost | Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount. |
| Amortised cost | FVTOCI | Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification. |
| FVTOCI | Amortised cost | Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost. |
| FVTPL | FVTOCI | Fair value at reclassification date becomes its new carrying amount. No other adjustment is required. |
| FVTOCI | FVTPL | Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss the reclassification date. |

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

### 3.23. Cash dividend to equity holders of the Parent Company

The Holding Company recognises a liability to make cash distributions to equity holders of the Parent Company when the distribution is authorised and the distribution is no longer at the discretion of the Parent Company. As per the corporate laws in India, distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

### 3.24. Operating Segments

The Business process and Risk Management Committee of the Parent Company, approved by the Board of Directors and Audit Committee performs the function of allotment of resources and assessment of performance of the Group. Considering the level of activities performed, frequency of their meetings and level of finality of their decisions, the Parent Company has identified that Chief Operating Decision Maker function is being performed by the Business process and Risk Management Committee. The financial information presented to the Business process and Risk Management Committee in the context of results and for the purposes of approving the annual operating plan is on a consolidated basis for various products of the Group. As the Group's business activity falls within a single business segment viz. 'Paints' and the sales substantially being in the domestic market, the Consolidated Financial Statement are reflective of the information required by Ind AS 108 "Operating Segments".

# Notes to Consolidated Financial Statements (contd.)

### 3.25. Events after reporting date:

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the Financial Statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

### 3.26. New and amended standards

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective for annual periods beginning on or after 1 April 2023. The Group applied for the first-time these amendments.

**(i) Accounting Estimates - Amendments to Ind AS 8**

The amendments clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no material impact on the Group's consolidated financial statements.

**(ii) Disclosure of Accounting Policies - Amendments to Ind AS 1**

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's consolidated financial statements.

**(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12**

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases.

The Group previously recognised for deferred tax on leases on a net basis. As a result of these amendments, the Group has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. Since, these balances qualify for offset as per the requirements of paragraph 74 of Ind AS 12, there is no impact in the balance sheet. There was also no impact on the opening retained earnings as at April 01, 2022.

Apart from these, consequential amendments and editorials have been made to other Ind AS like Ind AS 101, Ind AS 102, Ind AS 103, Ind AS 107, Ind AS 109, Ind AS 115 and Ind AS 34 as applicable.



# Notes to Consolidated Financial Statements

for the year ended March 31, 2024

## Note 4. Property, Plant and Equipment

₹ in Crores

| Particulars | Freehold Land | Building # | Plant and Equipment ## | Furniture and Fixtures | Computer ## | Office Equipment | Vehicles | Total |
|---|---|---|---|---|---|---|---|---|
| **Gross Carrying Amount** | | | | | | | | |
| **As at April 1, 2022** | **94.59** | **669.63** | **1,301.27** | **49.29** | **54.08** | **27.44** | **20.47** | **2,216.77** |
| Additions | 1.56 | 480.41 | 733.67 | 7.71 | 8.68 | 10.26 | 4.66 | 1,246.95 |
| Disposals | – | (3.91) | (21.29) | (2.42) | (1.59) | (0.29) | (5.37) | (34.87) |
| Translation Difference | 0.09 | 2.04 | 3.62 | 0.41 | – | – | 0.29 | 6.45 |
| **As at March 31, 2023** | **96.24** | **1,148.17** | **2,017.27** | **54.99** | **61.17** | **37.41** | **20.05** | **3,435.30** |
| Additions | 0.04 | 21.51 | 158.86 | 8.28 | 7.45 | 7.18 | 9.36 | 212.68 |
| Disposals | – | (0.27) | (6.64) | (1.25) | (3.04) | (0.97) | (8.37) | (20.54) |
| Translation Difference | 0.57 | 3.61 | 5.75 | 1.65 | – | – | 0.73 | 12.31 |
| **As at March 31, 2024** | **96.85** | **1,173.02** | **2,175.24** | **63.67** | **65.58** | **43.62** | **21.77** | **3,639.75** |
| **Accumulated Depreciation** | | | | | | | | |
| **As at April 1, 2022** | **–** | **127.27** | **519.28** | **30.02** | **42.68** | **15.81** | **8.32** | **743.38** |
| Charge for the year | – | 28.48 | 129.57 | 5.45 | 7.85 | 4.13 | 3.40 | 178.88 |
| Disposals | – | (0.44) | (18.92) | (2.31) | (1.51) | (0.08) | (3.78) | (27.04) |
| Translation Difference | – | 1.16 | 2.10 | 0.42 | – | – | 0.26 | 3.94 |
| **As at March 31, 2023** | **–** | **156.47** | **632.03** | **33.58** | **49.02** | **19.86** | **8.20** | **899.16** |
| Charge for the year | – | 50.06 | 162.23 | 5.25 | 6.63 | 4.24 | 4.04 | 232.45 |
| Disposals | – | (0.01) | (5.77) | (0.99) | (2.87) | (0.79) | (6.87) | (17.30) |
| Translation Difference | – | 2.07 | 5.46 | 1.56 | – | – | 0.41 | 9.50 |
| **As at March 31, 2024** | **–** | **208.59** | **793.95** | **39.40** | **52.78** | **23.31** | **5.78** | **1,123.81** |
| **Net Carrying Amount** | | | | | | | | |
| **As at March 31, 2024** | **96.85** | **964.43** | **1,381.29** | **24.27** | **12.80** | **20.31** | **15.99** | **2,515.94** |
| **As at March 31, 2023** | **96.24** | **991.70** | **1,385.24** | **21.41** | **12.15** | **17.55** | **11.85** | **2,536.14** |

# Includes building constructed on leasehold land.

## (i) Includes following assets (together constituting color bank machine) given under operating lease arrangements to the dealers:

₹ in Crores

| Particulars | Plant and Equipment | Computer | Total |
|---|---|---|---|
| **Gross Carrying Amount** | | | |
| **As at April 1, 2022** | **300.30** | **17.85** | **318.15** |
| Additions | 71.10 | 1.60 | 72.70 |
| Disposals* | (17.12) | 0.00 | (17.12) |
| **As at March 31, 2023** | **354.28** | **19.45** | **373.73** |
| Additions | 87.70 | 1.43 | 89.13 |
| Disposals* | (3.10) | 0.00 | (3.10) |
| **As at March 31, 2024** | **438.88** | **20.88** | **459.76** |
| **Accumulated Depreciation** | | | |
| **As at April 1, 2022** | **175.73** | **13.78** | **189.51** |
| Charge for the year | 52.51 | 3.99 | 56.50 |
| Disposals* | (15.43) | (0.00) | (15.43) |
| **As at March 31, 2023** | **212.81** | **17.77** | **230.58** |
| Charge for the year | 54.22 | 1.58 | 55.80 |
| Disposals* | (3.08) | (0.00) | (3.08) |
| **As at March 31, 2024** | **263.95** | **19.35** | **283.30** |
| **Net Carrying Amount** | | | |
| **As at March 31, 2024** | **174.93** | **1.53** | **176.46** |
| **As at March 31, 2023** | **141.47** | **1.68** | **143.15** |

* Refer Note 60

## Notes to Consolidated Financial Statements (contd.)

(ii) Title deeds of immovable properties set out in Note 4 in the previous page, are in the name of the Holding Company except those mentioned below which is transferred to and vested in the Holding Company pursuant to the Schemes of Amalgamation in earlier years or cases where execution of title deed is pending.

₹ in Crores

| Assets | Number of title deeds | Description of item of property | Gross Carrying Amount | | Net Carrying Amount | | Title Deeds held in the name of | Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director | Property held since which date | Reason for not being held in the name of the company |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024 | As at March 31, 2023 | | | | |
| Property, plant and equipment | 1 | Freehold land at Rishra, West Bengal | 1.36 | 1.36 | 1.36 | 1.36 | Berger Auto & Industrial Coatings Limited | No | March 03, 2005 | Refer Note 1 below |
| Property, plant and equipment | 1 | Freehold land at Hindupur, Andhra Pradesh | 2.66 | 2.66 | 2.66 | 2.66 | Andhra Pradesh Industrial Infrastructure Corporation Limited | No | June 28, 2018 | Refer Note 2 below |

Note:

1. In terms of the order dated March 03, 2005 by the Hon'ble High Court at Calcutta approving Scheme of Amalgamation of Berger Auto and Industrial Coatings Limited with the Holding Company, the particular freehold land was transferred to the Holding Company.
2. The Holding Company has received the allotment in its name and execution of title deed in respect of freehold land at Hindupur, Andhra Pradesh is under process.

## Note 5. Capital work in Progress

₹ in Crores

| Particulars | Building | Plant and Equipment | Other Assets | Total |
|---|---|---|---|---|
| **As at April 1, 2022** | **312.47** | **286.92** | **6.12** | **605.51** |
| Addition | 215.19 | 508.98 | 26.89 | 751.06 |
| Transferred to property, plant and equipment | (480.41) | (733.67) | (32.87) | (1,246.95) |
| Other Adjustment/Deductions | (0.05) | – | – | (0.05) |
| Translation Difference | 0.62 | – | – | 0.62 |
| **As at March 31, 2023** | **47.82** | **62.23** | **0.14** | **110.19** |
| Addition | 66.22 | 190.64 | 32.23 | 289.09 |
| Transferred to property, plant and equipment | (21.51) | (158.86) | (32.31) | (212.68) |
| Other Adjustment/Deductions | – | – | – | – |
| Translation Difference | 0.74 | – | – | 0.74 |
| **As at March 31, 2024** | **93.27** | **94.01** | **0.06** | **187.34** |

### (a) Capital work in progress (CWIP) Ageing Schedule

₹ in Crores

| Particulars | As at March 31, 2024 | | | | |
|---|---|---|---|---|---|
| | Amount in CWIP for a period of | | | | |
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 135.08 | 44.97 | 4.02 | 1.80 | 185.87 |
| Projects temporarily suspended | – | – | 1.12 | 0.35 | 1.47 |
| **Particulars** | **As at March 31, 2023** | | | | |
| | **Amount in CWIP for a period of** | | | | |
| | **Less than 1 year** | **1-2 years** | **2-3 years** | **More than 3 years** | **Total** |
| **Projects in progress** | 91.26 | 14.95 | 1.77 | 2.21 | 110.19 |

There are no projects as on March 31, 2023 where activity have been suspended.



## Notes to Consolidated Financial Statements (contd.)

(b) CWIP of the Group whose completion is overdue, temporarily suspended or has exceeded its cost as compared to its original plan as at March 31, 2024 is as below:

₹ in Crores

| CWIP | To be completed in | | | |
|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years |
| **Projects in progress** | | | | |
| ZNO Project | – | 2.69 | – | – |
| New 10 T Alkyd Resin Reactor | – | 1.16 | – | – |
| CED Alkyd Tank | – | 1.06 | – | – |
| Warehouse Management System Project | – | 0.27 | – | – |
| Emulsion Plant | 0.22 | – | – | – |
| Mixing tank | – | 0.19 | – | – |
| **Projects temporarily suspended** | | | | |
| Emulsion automation | – | – | 0.82 | – |
| Resin capacity expansion | – | – | 0.65 | – |

There were no CWIP assets where completion was overdue against original planned timelines or where estimated cost exceeded its original planned cost as on March 31, 2023.

## Note 6. Goodwill

₹ in Crores

| Particulars | Goodwill on Consolidation | Goodwill acquired separately | Total |
|---|---|---|---|
| **Gross Carrying Amount** | | | |
| **As at April 01, 2022** | 74.30 | 201.26 | 275.56 |
| Additions | – | – | – |
| Disposals | – | – | – |
| Translation Difference | – | 6.13 | 6.13 |
| **As at March 31, 2023** | **74.30** | **207.39** | **281.69** |
| Additions | – | – | – |
| Disposals | – | – | – |
| Translation Difference | – | 22.97 | 22.97 |
| **As at March 31, 2024** | **74.30** | **230.36** | **304.66** |
| **Net Carrying Amount** | | | |
| **As at March 31, 2024** | **74.30** | **230.36** | **304.66** |
| **As at March 31, 2023** | **74.30** | **207.39** | **281.69** |

Refer Notes 3.1 and 45(vii).

# Notes to Consolidated Financial Statements (contd.)

## Note 6. Goodwill (contd.)

The carrying amount of goodwill has been allocated as follows:

₹ in Crores

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Goodwill on Consolidation** | | |
| SBL Specialty Coatings Private Limited | 64.51 | 64.51 |
| Berger Hesse Wood Coatings Private Limited | 1.56 | 1.56 |
| STP Limited | 7.16 | 7.16 |
| Berger Jenson & Nicholson (Nepal) Private Limited | 0.99 | 0.99 |
| Lusako Trading Limited | 0.05 | 0.05 |
| Berger Paints (Cyprus) Limited | 0.03 | 0.03 |
| **Goodwill acquired separately** | | |
| Bolix S.A. | 230.36 | 207.39 |
| **Total** | **304.66** | **281.69** |

## Note 7. a. Other Intangible assets

₹ in Crores

| Particulars | Computer Software | Trademark | Total |
|---|---|---|---|
| **Gross Carrying Amount** | | | |
| **As at April 1, 2022** | **39.48** | **0.15** | **39.63** |
| Additions | 6.14 | – | 6.14 |
| Disposals | (17.47) | – | (17.47) |
| Translation Difference | 0.62 | – | 0.62 |
| **As at March 31, 2023** | **28.77** | **0.15** | **28.92** |
| Additions | 6.96 | – | 6.96 |
| Disposals/ Adjustments | (0.16) | – | (0.16) |
| Translation Difference | 0.88 | – | 0.88 |
| **As at March 31, 2024** | **36.45** | **0.15** | **36.60** |
| **Accumulated Amortisation** | | | |
| **As at April 1, 2022** | **24.54** | **0.03** | **24.57** |
| Charge for the year | 5.47 | 0.02 | 5.49 |
| Disposals | (17.46) | – | (17.46) |
| Translation Difference | 0.60 | – | 0.60 |
| **As at March 31, 2023** | **13.15** | **0.05** | **13.20** |
| Charge for the year | 5.85 | 0.02 | 5.87 |
| Disposals | (0.01) | – | (0.01) |
| Translation Difference | 0.74 | – | 0.74 |
| **As at March 31, 2024** | **19.73** | **0.07** | **19.80** |
| **Net Carrying Amount** | | | |
| **As at March 31, 2024** | **16.72** | **0.08** | **16.80** |
| **As at March 31, 2023** | **15.62** | **0.10** | **15.72** |



# Notes to Consolidated Financial Statements (contd.)

## Note 7. b. Intangible assets under development

₹ in Crores

| Particulars | Computer Software |
|---|---|
| **As at April 1, 2022** | **–** |
| Addition | 0.35 |
| Transferred to Intangible Assets | – |
| **As at March 31, 2023** | **0.35** |
| Addition | 8.22 |
| Transferred to Intangible Assets | (6.96) |
| **As at March 31, 2024** | **1.61** |

### Intangible asset under development ageing schedule:

₹ in Crores

| Particulars | As at March 31, 2024 | | | | |
|---|---|---|---|---|---|
| | Amount in intangible assets under development for a period of | | | | |
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 1.61 | – | – | – | 1.61 |

₹ in Crores

| Particulars | As at March 31, 2023 | | | | |
|---|---|---|---|---|---|
| | Amount in intangible assets under development for a period of | | | | |
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 0.35 | – | – | – | 0.35 |

There are no projects as on current reporting period where activity has been suspended. Also there are no projects as on the reporting period which has exceeded cost as compared to its original plan or where completion is overdue.

## Note 8. a. Investments in Joint Ventures

The Group has 48.98% and 49% interest in Berger Becker Coatings Private Limited (joint venture with Becker Industrial Coatings Holding AB - Sweden) and Berger Nippon Paint Automotive Coatings Private Limited (Company's Joint Venture with Issac Newton Corporation). The Group also has a step down joint venture namely Surefire Management Services Limited with Green Dynamo Limited. These joint ventures are private limited companies that are not listed on any public stock exchange. The Group's interest in joint ventures are accounted for using the equity method in its consolidated financial statements. Carrying amounts of interest in joint ventures as on March 31, 2024 and March 31, 2023 are ₹169.16 crores and ₹130.15 crores respectively.

Summarised financial information in respect of aforesaid joint ventures of the Group, based on their financial statements are set out below:

### Summarised balance sheet:

₹ in Crores

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Non-current assets | 229.02 | 201.78 |
| Current Assets | 347.66 | 316.72 |
| Non-Current Liabilities | (7.43) | (5.77) |
| Current Liabilities | (136.95) | (163.77) |
| Equity | 432.31 | 348.96 |

# Notes to Consolidated Financial Statements (contd.)

## Note 8. a. Investments in Joint Ventures (contd.)

### Summarised statement of profit and loss:

₹ in Crores

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| Total income | 665.29 | 573.82 |
| Total expenses | 574.50 | 596.19 |
| Profit/(loss) before tax | 90.79 | (22.37) |
| Tax expenses | (3.34) | (6.88) |
| Profit/(loss) after tax | 87.45 | (29.25) |
| Other Comprehensive Income/(loss) | 0.09 | 0.05 |
| Total Comprehensive Income/(loss) | 87.54 | (29.20) |
| Group's Share of Profit/(Loss) from joint ventures | 41.02 | (13.17) |
| Group's share of Other Comprehensive Income for the year from joint ventures | 0.05 | 0.02 |
| Group's share of Total Comprehensive Income/(loss) for the year from joint ventures | 41.07 | (13.15) |

The Joint Ventures have the following commitments:

₹ in Crores

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | 2.77 | 1.72 |

The Joint Ventures have the following contingent liability:

₹ in Crores

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Income tax | 9.21 | 2.04 |
| Others | 4.20 | 3.59 |

## Note 8. b. Non-current financial assets - Investments

| Particulars | Nominal Value per unit | Currency | Number of shares | | Amount (₹ in Crores) | |
|---|---|---|---|---|---|---|
| | | | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024 | As at March 31, 2023 |
| **At Fair value through profit or loss (FVTPL):** | | | | | | |
| **Investment in equity other than joint ventures** | | | | | | |
| Equity Shares - Unquoted (Fully Paid) | | | | | | |
| Charotar Gas Company * | 10 | INR | 10 | 10 | 0.00 | – |
| **Total *** | | | | | **0.00** | **–** |
| **Aggregate book value of Unquoted Investments*** | | | | | 0.00 | – |

Refer note 54 for information about fair value determination.

* Refer note 60

## Note 9. Non Current financial assets-Trade receivables

₹ in Crores

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **At amortised cost** | | |
| Unsecured | | |
| Considered good | 20.93 | – |
| Credit impaired | 8.90 | – |
| Less: Allowance for credit impaired trade receivable | (8.90) | – |
| **Total** | **20.93** | **–** |

(i) Trade receivables are non-interest bearing and generally have credit period between 30 to 90 days.

(ii) Refer Note 55 for movement in expected credit allowance on trade receivables.

(iii) There are no disputed trade receivables.

(iv) Non-current classification is basis the agreed terms with customers.

### Trade Receivables Ageing Schedule

₹ in Crores

| Particulars | Not due | Outstanding as on March 31, 2024 from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | Less than 6 Months | 6 months – 1 year | 1-2 years | 2-3 years | More than 3 years | |
| **Undisputed Trade Receivables** | | | | | | | |
| Considered good | 15.16 | – | – | 2.63 | 3.14 | – | 20.93 |
| Credit impaired | – | – | – | – | 5.07 | 3.83 | 8.90 |

(i) There are no unbilled dues as on each reporting date.

(ii) Ageing schedule of outstanding trade receivables as on March 31, 2023 from due date of payment has not been furnished as the underlying amount was Nil.

## Note 10. Non-current financial assets-Other financial assets

(Unsecured, considered good unless otherwise stated)

₹ in Crores

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **At amortised cost** | | |
| Security deposits* @ | 24.09 | 20.17 |
| Bank Deposits with maturity of more than twelve months ** | 0.68 | 25.94 |
| Subsidy receivable @@ | 73.94 | 81.65 |
| **Total** | **98.71** | **127.76** |

* Refer Note 51b for security deposits given to related parties.

** Includes deposits pledged against bank guarantees.

@ Security Deposits include deposits on account of rent and electricity.

@@ The Holding Company has subsidy receivable under various Incentive Schemes/Packages of State Government and Government of India applicable to eligible units. The same is expected to be received beyond operating cycle.

## Notes to Consolidated Financial Statements (contd.)

### Note 11. Income Tax assets (net)

₹ in Crores

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Advance payment of income tax<br>[Net of provision for tax of ₹1,727.54 crores (March 31, 2023 - ₹1,608.67 crores)] | 48.51 | 68.18 |
| **Total** | **48.51** | **68.18** |

### Note 12. Other non-current assets

(Unsecured, considered good unless otherwise stated)

₹ in Crores

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Capital advances | 9.31 | 20.70 |
| Prepayments | 0.09 | 0.17 |
| Balances with statutory/government authorities # | 14.39 | 12.89 |
| **Total** | **23.79** | **33.76** |

# Includes payments made to various Government Authorities under protest relating to certain indirect tax matters/demand of lease rentals.

### Note 13. Inventories

(at lower of cost and net realisable value)

₹ in Crores

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Raw materials [Including in-transit ₹95.19 crores (March 31, 2023 - ₹102.60 crores)] | 701.50 | 713.77 |
| Packing materials | 43.60 | 47.79 |
| Work in progress | 144.91 | 140.92 |
| Finished goods [Including in-transit ₹0.26 crore (March 31, 2023 - ₹Nil)] | 1,118.51 | 1,223.95 |
| Stock-in-trade | 147.09 | 170.39 |
| Stores and Spares | 24.07 | 22.30 |
| **Total** | **2,179.68** | **2,319.12** |

The Group has recognised income/(expenses) of ₹8.99 Crores [March 31, 2023: ₹3.52 Crores] (net of reversal) in respect of write down of inventory to net realisable value, slow moving, damaged and obsolete items.

Also refer Note 28 for information on inventories pledged as security.

### Note 14. Current financial assets - Investments

₹ in Crores

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **At fair value through profit and loss (FVTPL):** | | |
| Investments in Mutual Funds - Unquoted | 85.91 | 52.96 |
| **Aggregate amount of Unquoted Investments** | **85.91** | **52.96** |

Refer Note 54 for determination of fair value.



Notes to Consolidated Financial Statements (contd.)

### Note 14. Current financial assets - Investments (contd.)

| Particulars | As at March 31, 2024 Units (In nos.) | As at March 31, 2024 Amount (₹ in Crores) | As at March 31, 2023 Units (In nos.) | As at March 31, 2023 Amount (₹ in Crores) |
|---|---|---|---|---|
| **At fair value through profit or loss (FVTPL):** | | | | |
| Investments in Mutual Funds - Unquoted | | | | |
| Aditya Birla Sun Life Money Manager Fund - Growth - Direct Plan | 5,95,238.19 | 20.29 | – | – |
| Kotak Liquid Fund Direct Plan Growth | 40,986.14 | 19.99 | 31,866.62 | 14.49 |
| HDFC Liquid Fund - Direct Plan - Growth Option | 40,182.69 | 19.06 | 41,475.32 | 18.35 |
| Tata Money Market Fund Direct Plan - Growth | 22,951.37 | 10.02 | – | – |
| Tata Liquid Fund Direct Plan - Growth | 15,766.33 | 6.01 | – | – |
| HDFC Ultra Short Term Fund - Direct Plan - Growth | 38,05,108.79 | 5.36 | – | – |
| HDFC Money Market Fund - Direct Plan - Growth | 9,751.88 | 5.17 | – | – |
| Franklin India Short Term Income Plan - Retail Plan - Direct Plan - Growth | 18.52 | 0.01 | – | – |
| ICICI Prudential Liquid Fund - Direct Plan - Growth | – | – | 2,40,252.25 | 8.01 |
| SBI Liquid Fund - Direct - Growth | – | – | 14,200.00 | 5.01 |
| LIC MF Liquid Fund - Direct Plan - Growth | – | – | 12,238.24 | 5.00 |
| Aditya Birla Sunlife Liquid Fund - Growth - Direct Plan | – | – | 28,761.81 | 1.04 |
| UTI Liquid Cash Plan - Direct Plan Growth | – | – | 1,755.97 | 0.65 |
| Franklin India Short Term Income Plan - Retail Plan - Direct Plan - Growth | – | – | 668.22 | 0.33 |
| Franklin India Short term Income Plan - Retail Plan-Direct-Segregated Portfolio 2 | – | – | 6,469.15 | 0.06 |
| UTI Liquid Cash Plan - Direct Plan Growth | – | – | 37.40 | 0.01 |
| Kotak Liquid - Direct Plan - Growth | – | – | 20.66 | 0.01 |
| UTI Liquid Cash Plan - Direct Plan Growth* | – | – | 6.66 | 0.00 |
| **Aggregate amount of Unquoted Investments** | | **85.91** | | **52.96** |

*Refer Note 60

### Note 15. Current financial assets-Trade receivables

#### At amortised cost

₹ in Crores

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Unsecured** | | |
| Considered good # | 1,302.02 | 1,243.12 |
| Credit impaired | 48.51 | 44.58 |
| Less : Allowance for credit impaired trade receivables | (48.51) | (44.58) |
| **Total** | **1,302.02** | **1,243.12** |
| **# Includes debts due from related parties:** | | |
| Berger Becker Coatings Private Limited | 7.16 | 3.14 |
| Berger Nippon Paint Automotive Coatings Private Ltd. | 21.49 | 24.17 |
| Berger Paints (Bangladesh) Limited | 0.02 | 0.02 |
| Shalimar Tar Products Limited* | 0.01 | 0.01 |
| Mrs Sunaina Kohli* | – | 0.00 |

(i) Trade receivables are non-interest bearing and generally have credit period from 30 to 90 days.

(ii) For terms and conditions relating to related party receivables, refer Note 51b.

(iii) Refer Note No. 55 for Movement in expected credit loss allowance on trade receivables.

* Refer Note 60

## Notes to Consolidated Financial Statements (contd.)

### Note 15 a. Trade receivables Ageing Schedule

₹ in Crores

| Particulars | Current but not due | Outstanding as on March 31, 2024 from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | Less than 6 Months | 6 months – 1 year | 1-2 years | 2-3 years | More than 3 years | |
| **Undisputed Trade Receivables** | | | | | | | |
| Considered good | 946.99 | 283.91 | 44.85 | 18.79 | 2.54 | 4.94 | 1,302.02 |
| Credit impaired | 1.47 | 1.83 | 2.36 | 13.01 | 8.28 | 2.78 | 29.73 |
| **Disputed Trade Receivables** | | | | | | | |
| Credit impaired | 0.46 | 0.34 | 2.67 | 6.96 | 4.58 | 3.77 | 18.78 |

| Particulars | Current but not due | Outstanding as on March 31, 2023 from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | Less than 6 Months | 6 months – 1 year | 1-2 years | 2-3 years | More than 3 years | |
| **Undisputed Trade Receivables** | | | | | | | |
| Considered good | 933.97 | 224.83 | 34.17 | 34.86 | 10.29 | 5.00 | 1,243.12 |
| Credit impaired | 5.84 | 2.73 | 4.28 | 7.74 | 7.90 | 3.16 | 31.65 |
| **Disputed Trade Receivables** | | | | | | | |
| Credit impaired | 0.41 | 0.60 | 0.62 | 4.04 | 3.74 | 3.52 | 12.93 |

Note - There are no unbilled dues as on each reporting date.

### Note 16. Current Financial assets- Cash and Cash Equivalents

₹ in Crores

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **At amortised cost** | | |
| Balances with banks: | | |
| – On current accounts | 175.66 | 84.63 |
| – Deposits with original maturity of less than three months # | 62.02 | 30.37 |
| Cheques/drafts on hand | 2.11 | 0.42 |
| Cash on hand | 0.47 | 0.75 |
| **Total** | **240.26** | **116.17** |

# Deposits made for period upto three months, depending on the immediate cash requirements of the Group, and earn interest between 1.75% - 9.50 % p.a.(March 31, 2023- 1.75% - 9.05% p.a).

### Note 17. Current Financial assets - Other bank balances

₹ in Crores

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **At amortised cost** | | |
| Other bank balances: | | |
| – Balance in Unpaid Dividend Account* | 4.35 | 4.71 |
| – Deposits with maturity of not less than three months but not more than twelve months # | 206.01 | 123.78 |
| Earmarked balances | 0.03 | 0.03 |
| **Total** | **210.39** | **128.52** |

* Earmarked for payment of Unclaimed Dividend.

# Deposits with Banks earn interest between 6.70% to 9.44% p.a (March 31, 2023- 5.30% to 10.13% p.a) and are made for periods between three to twelve months (March 31, 2023 - periods between three to twelve months).



Notes to Consolidated Financial Statements (contd.)

### Note 18. Loans

(Unsecured, considered good unless otherwise stated)

₹ in Crores

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **At amortised cost** | | |
| Loan to Joint Venture (Refer Note 51b) * | 43.07 | 4.09 |
| **Total** | **43.07** | **4.09** |

* The above loan amounting to PLN 2.04 crores (March 31, 2023: PLN 0.22 crores) has been given by Bolix S.A. to it's joint venture Surefire Management Services Limited and will be repaid by December 31, 2024. Further, the interest rate is determined based on the 'safe harbour' mechanism, i.e., the base interest rate plus 2.4% margin (March 31, 2023 - base interest rate plus 2% margin). The said loan is unsecured and utilised by the Joint Venture for its business activities.

### Note 19. Current Financial assets - Other financial assets

(Unsecured, considered good unless otherwise stated)

₹ in Crores

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **At amortised cost** | | |
| Security deposits* @ | 4.92 | 7.93 |
| Deposits with maturity of more than twelve months ## | 23.85 | - |
| Interest accrued on deposits | 7.45 | 3.99 |
| Subsidy receivable # | 32.48 | 34.30 |
| Other receivables** | 2.69 | 6.24 |
| **Total** | **71.39** | **52.46** |

* Refer Note 51b for security deposit given to related parties.

@ Security deposits include deposits on account of rent, tender and combined contracts.

## Deposits with Banks earn interest between 5.25% to 7.30% p.a and are made for periods of more than twelve months.

# The Holding Company has subsidy receivable under various Incentive Schemes/Packages of State Government and Government of India applicable to eligible units.

** Includes receivable from the following related party (Refer Note 51b)

₹ in Crores

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Berger Paints (Bangladesh) Limited [Fellow Subsidiary] | 0.29 | 0.25 |
| **Total** | **0.29** | **0.25** |

### Note 20. Other current assets

(Unsecured, considered good unless otherwise stated)

₹ in Crores

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Advances other than capital advances | 20.86 | 32.51 |
| Prepayments | 26.27 | 25.75 |
| Balances with statutory/government authorities * | 138.18 | 189.75 |
| **Total** | **185.31** | **248.01** |

* Includes balance of goods and service tax.

# Notes to Consolidated Financial Statements (contd.)

## Note 21. Equity Share Capital

₹ in Crores

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Authorised Share Capital** | | |
| 1,20,00,00,000 Equity Shares of ₹1 each (March 31, 2023: 1,20,00,00,000 Equity Shares of ₹1 each) | 120.00 | 120.00 |
| **Issued Share Capital** | | |
| 1,16,58,87,529 Equity Shares of ₹1 each fully paid up (March 31, 2023: 97,15,13,965 Equity Shares of ₹1 each fully paid up) | 116.59 | 97.15 |
| **Subscribed and Paid-up Share Capital** | | |
| 1,16,57,96,049 Equity Shares of ₹1 each fully paid up (March 31, 2023: 97,14,22,485 Equity Shares of ₹1 each fully paid up) | 116.58 | 97.14 |

### a) The reconciliation of share capital is given below:

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | No. of Shares | ₹ in Crores | No. of Shares | ₹ in Crores |
| **At the beginning of the year** | 97,14,22,485 | 97.14 | 97,13,23,489 | 97.13 |
| Add: Shares issued on exercise of Employee Stock Options (Refer Note 48) | 89,067 | 0.01 | 98,996 | 0.01 |
| Add: Bonus Shares issued (Refer Note c below) | 19,42,84,497 | 19.43 | - | - |
| **At the end of the year** | **1,16,57,96,049** | **116.58** | **97,14,22,485** | **97.14** |

### b) Terms/Rights attached to equity shares

The Holding Company has only one class of equity shares having a par value of ₹1 each. Holder of each equity share is entitled to one vote per share. The Holding Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive remaining assets of the Holding Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### c) Bonus Shares issued during the current financial year

On September 25, 2023, the Holding Company had allotted 19,42,84,497 bonus shares of Rupee one each (fully paid up) in the proportion of 1 bonus share for every 5 fully paid up equity shares to eligible shareholders whose names appeared in the Register of Members as on September 23, 2023, being the record date fixed for this purpose, in accordance with approval received from the Members by way of postal ballot, result of which was declared on September 08, 2023. The said bonus shares rank pari passu in all respects with the existing equity shares of the Holding Company, including dividend. As a result of the bonus issue, the paid-up capital of the Holding Company increased to ₹116.57 crores from ₹97.14 crores. The paid-up capital on account of bonus issue of ₹19.43 crores has been appropriated from securities premium.

Equity shares allotted as fully paid-up bonus shares during the period of five years immediately preceding the balance sheet date.

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| | No. of Shares | No. of Shares |
| Bonus Shares issued in FY 2023-24 | 19,42,84,497 | – |





### d) Equity shares held by the ultimate holding company and/or the subsidiaries/associates of holding company

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| | No. of Shares | No. of Shares |
| U K Paints (India) Private Limited (Ultimate Holding Company) | 58,40,35,478 | 48,66,65,399 |
| Jenson & Nicholson (Asia) Limited (Fellow Subsidiary) | 16,87,88,138 | 14,06,56,782 |
| Citland Commercial Credits Limited (Fellow Subsidiary) | 3,70,98,790 | 3,09,15,659 |
| Wang Investment & Finance Pvt. Ltd. (Fellow Subsidiary) | 3,59,82,696 | 2,99,85,580 |
| Bigg Investment & Finance Pvt. Ltd. (Fellow Subsidiary) | 95,42,904 | 79,52,420 |

### e) Details of shareholders holding more than 5 percent of equity shares in the Holding Company

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | No. of Shares | % holding | No. of Shares | % holding |
| U K Paints (India) Private Limited (Ultimate Holding Company) | 58,40,35,478 | 50.10% | 48,66,65,399 | 50.10% |
| Jenson & Nicholson (Asia) Limited (Fellow Subsidiary) | 16,87,88,138 | 14.48% | 14,06,56,782 | 14.48% |

As per records of the Holding Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares as declared under the relevant provisions of the Companies Act, 2013.

### f) Shares reserved for issue under Employee Stock Options:

For movement of shares reserved for issue under the Employee Stock Option Plan (ESOP) of the Holding Company, refer Note 48.

**g)** The Holding Company has not issued any shares pursuant to any contract without payment being received in cash. The Holding Company has not bought back any shares.

### h) Details of shares held by promoters of the Holding Company

**Equity shares of ₹1 each fully paid up**

| Promoter Name | As at March 31, 2024 | | | | |
|---|---|---|---|---|---|
| | No. of shares at the beginning of the year | Change during the year (Refer Note c in previous page) | No. of shares at the end of the year | % of Total Shares | % change during the year |
| Anshana Sawhney | 6,00,000 | 1,20,000 | 7,20,000 | 0.06 | 20.00 |
| Bigg Investments & Finance Private Limited | 79,52,420 | 15,90,484 | 95,42,904 | 0.82 | 20.00 |
| Citland Commercial Credits Limited | 3,09,15,659 | 61,83,131 | 3,70,98,790 | 3.18 | 20.00 |
| Dipti Dhingra | 1,31,712 | 26,342 | 1,58,054 | 0.01 | 20.00 |
| Gurbachan Singh Dhingra | 44,48,888 | 8,89,777 | 53,38,665 | 0.46 | 20.00 |
| GBS Dhingra Family Trust | 59,11,683 | 11,82,336 | 70,94,019 | 0.61 | 20.00 |
| Jenson & Nicholson (Asia) Limited | 14,06,56,782 | 2,81,31,356 | 16,87,88,138 | 14.48 | 20.00 |
| Jessima Kumar | 6,00,000 | 1,20,000 | 7,20,000 | 0.06 | 20.00 |
| Kanwardip Singh Dhingra | 7,00,000 | 1,40,000 | 8,40,000 | 0.07 | 20.00 |
| Kuldip Singh Dhingra | 55,15,071 | 11,03,014 | 66,18,085 | 0.57 | 20.00 |
| KSD Family Trust | 83,12,140 | 16,62,428 | 99,74,568 | 0.86 | 20.00 |
| Meeta Dhingra | 9,99,999 | 1,99,999 | 11,99,998 | 0.10 | 20.00 |

## Notes to Consolidated Financial Statements (contd.)

### (h) Details of shares held by promoters of the Holding Company (contd.)

| Promoter Name | As at March 31, 2024 | | | | |
|---|---|---|---|---|---|
| | No. of shares at the beginning of the year | Change during the year (Refer Note c in previous page) | No. of shares at the end of the year | % of Total Shares | % change during the year |
| Rishma Kaur | 6,00,000 | 1,20,000 | 7,20,000 | 0.06 | 20.00 |
| Sunaina Kohli | 6,00,000 | 1,20,000 | 7,20,000 | 0.06 | 20.00 |
| U K Paints (India) Private Limited | 48,66,65,399 | 9,73,70,079 | 58,40,35,478 | 50.10 | 20.01 |
| Vinu Dhingra | 38,98,368 | 7,79,673 | 46,78,041 | 0.40 | 20.00 |
| Wang Investment & Finance Private Limited | 2,99,85,580 | 59,97,116 | 3,59,82,696 | 3.09 | 20.00 |
| **Total** | **72,84,93,701** | **14,57,35,735** | **87,42,29,436** | **74.99** | |

**Equity shares of ₹1 each fully paid up**

| Promoter Name | As at March 31, 2023 | | | | |
|---|---|---|---|---|---|
| | No. of shares at the beginning of the year | Change during the year | No. of shares at the end of the year | % of Total Shares | % change during the year |
| Anshana Sawhney | 6,00,000 | – | 6,00,000 | 0.06 | – |
| Bigg Investments & Finance Private Limited | 79,52,420 | – | 79,52,420 | 0.82 | – |
| Citland Commercial Credits Limited | 3,09,15,659 | – | 3,09,15,659 | 3.18 | – |
| Dipti Dhingra | 1,31,712 | – | 1,31,712 | 0.01 | – |
| Gurbachan Singh Dhingra | 44,48,888 | | 44,48,888 | 0.46 | – |
| GBS Dhingra Family Trust | 59,11,683 | – | 59,11,683 | 0.61 | – |
| Jenson & Nicholson (Asia) Limited | 14,06,56,782 | – | 14,06,56,782 | 14.48 | – |
| Jessima Kumar | 6,00,000 | – | 6,00,000 | 0.06 | – |
| Kanwardip Singh Dhingra | 7,00,000 | – | 7,00,000 | 0.07 | – |
| Kuldip Singh Dhingra | 55,15,071 | | 55,15,071 | 0.57 | – |
| KSD Family Trust | 83,12,140 | – | 83,12,140 | 0.86 | – |
| Meeta Dhingra | 9,99,999 | – | 9,99,999 | 0.10 | – |
| Rishma Kaur | 6,00,000 | – | 6,00,000 | 0.06 | – |
| Sunaina Kohli | 6,00,000 | – | 6,00,000 | 0.06 | – |
| U K Paints (India) Private Limited | 48,65,45,399 | 1,20,000 | 48,66,65,399 | 50.10 | 0.02 |
| Vinu Dhingra | 38,98,368 | – | 38,98,368 | 0.40 | – |
| Wang Investment & Finance Private Limited | 2,99,85,580 | – | 2,99,85,580 | 3.09 | – |
| **Total** | **72,83,73,701** | **1,20,000** | **72,84,93,701** | **74.99** | |



Notes to Consolidated Financial Statements (contd.)

## Note 22. Other equity

### For the year ended March 31, 2024

₹ in Crores

| Particulars | Reserves & Surplus | | | | | | Foreign currency translation reserve | Equity attributable to equity holders of the parent | Non-Controlling Interest | Total Equity |
|---|---|---|---|---|---|---|---|---|---|---|
| | Securities premium | Share based payment reserve | Retained earnings | Capital reserve | General reserve | Capital Redemption reserve | | | | |
| **As at April 1, 2023 (A)** | **127.47** | **4.58** | **3,977.96** | **0.19** | **302.87** | **0.04** | **(16.13)** | **4,396.98** | **8.14** | **4,405.12** |
| Profit for the year | – | – | 1,167.74 | – | – | – | – | 1,167.74 | 2.08 | 1,169.82 |
| Other comprehensive income for the year (net of tax) | – | – | (0.09) | – | – | – | 22.40 | 22.31 | (0.02) | 22.29 |
| **Total Comprehensive Income for the year (B)** | **–** | **–** | **1,167.65** | **–** | **–** | **–** | **22.40** | **1,190.05** | **2.06** | **1,192.11** |
| Share based payments (Note 48) | – | 6.04 | – | – | – | – | – | 6.04 | – | 6.04 |
| Exercise of share options (Note 48) | 5.17 | (5.17) | – | – | – | – | – | – | – | – |
| Share Options forfeited/lapsed (Note 48) | – | (0.33) | – | – | – | – | – | (0.33) | – | (0.33) |
| Transfer to housing reserves (Note 32) | – | – | (0.06) | – | – | – | – | (0.06) | – | (0.06) |
| Dividends (Note 34) | – | – | (310.86) | – | – | – | – | (310.86) | – | (310.86) |
| Bonus Shares (Note 21) | (19.43) | – | – | – | – | – | – | (19.43) | – | (19.43) |
| **Total (C)** | **(14.26)** | **0.54** | **(310.92)** | **–** | **–** | **–** | **–** | **(324.64)** | **–** | **(324.64)** |
| **As at March 31, 2024 (A+B+C)** | **113.21** | **5.12** | **4,834.69** | **0.19** | **302.87** | **0.04** | **6.27** | **5,262.39** | **10.20** | **5,272.59** |

### For the year ended March 31, 2023

₹ in Crores

| Particulars | Reserves & Surplus | | | | | | Foreign currency translation reserve | Equity attributable to equity holders of the parent | Non-Controlling Interest | Total Equity |
|---|---|---|---|---|---|---|---|---|---|---|
| | Securities premium | Share based payment reserve | Retained earnings | Capital reserve | General reserve | Capital Redemption reserve | | | | |
| **As at April 1, 2022 (A)** | **120.72** | **6.77** | **3,420.37** | **0.19** | **302.87** | **0.04** | **(21.10)** | **3,829.86** | **7.17** | **3,837.03** |
| Profit for the year | – | – | 859.42 | – | – | – | – | 859.42 | 0.98 | 860.40 |
| Other comprehensive income for the year (net of tax) | – | – | (0.60) | – | – | – | 4.97 | 4.37 | (0.01) | 4.36 |

## Notes to Consolidated Financial Statements (contd.)

### Note 22. Other equity (contd.)

₹ in Crores

| Particulars | Reserves & Surplus | | | | | | Foreign currency translation reserve | Equity attributable to equity holders of the parent | Non-Controlling Interest | Total Equity |
|---|---|---|---|---|---|---|---|---|---|---|
| | Securities premium | Share based payment reserve | Retained earnings | Capital reserve | General reserve | Capital Redemption reserve | | | | |
| **Total Comprehensive Income for the year (B)** | **–** | **–** | **858.82** | **–** | **–** | **–** | **4.97** | **863.79** | **0.97** | **864.76** |
| Share based payments (Note 48) | – | 5.93 | – | – | – | – | – | 5.93 | – | 5.93 |
| Exercise of share options (Note 48) | 6.75 | (6.75) | – | – | – | – | – | – | – | – |
| Share Options forfeited/lapsed (Note 48) | – | (1.37) | – | – | – | – | – | (1.37) | – | (1.37) |
| Transfer to housing reserves (Note 32) | – | – | (0.12) | – | – | – | – | (0.12) | – | (0.12) |
| Dividends (Note 34) | – | – | (301.11) | – | – | – | – | (301.11) | – | (301.11) |
| **Total (C)** | **6.75** | **(2.19)** | **(301.23)** | **–** | **–** | **–** | **–** | **(296.67)** | **–** | **(296.67)** |
| **As at March 31, 2023 (A+B+C)** | **127.47** | **4.58** | **3,977.96** | **0.19** | **302.87** | **0.04** | **(16.13)** | **4,396.98** | **8.14** | **4,405.12** |

**Notes:**

**Securities Premium** - Premium received on equity shares issued including those under Employee stock option plan are recognised in the securities premium account net of utilization for bonus shares issued etc. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

**Retained Earnings** - Retained earnings includes surplus in the Statement of Profit and Loss, Ind AS related adjustments as on the date of transition, remeasurement gains/(losses) on defined benefit plans less any transfer to general reserve, dividends or other distributions paid to shareholders.

**General Reserve** - Under the erstwhile Indian Companies Act 1956, a general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations, to ensure that if a dividend distribution in a given year is more than 10% of the paid capital of the Company for that year, the total dividend distribution is less than the total distributable profits/(losses) for that year. Consequent to introduction of the Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

**Share based payment reserve** - The Holding Company has an employee stock option plan (ESOP) under which options to subscribe for the Holding Company's shares have been granted to specific employees. The Share based payment reserve is used to recognise the value of equity-settled share-based payments to employees as part of their remuneration. The year end balance is net off options exercised by the concerned employees. Refer to Note 48 for further details of these plans.

**Foreign Currency Translation Reserve** - Represents exchange difference on translation of financial statements of foreign subsidiaries.



Notes to Consolidated Financial Statements (contd.)

Also, during the previous year, Berger Paints (Cyprus) Limited (BPCL) (overseas subsidiary of the Holding Company) had revised the repayment timelines for the loan extended by BPCL to Berger Paints Overseas Limited (Step down overseas subsidiary of BPCL) in earlier years, which was originally repayable on its maturity. As per the revised terms, the loan will be renewed upon its maturity and the Holding Company/BPCL does not intend to demand its repayment in a foreseeable future. Accordingly, as per Ind AS 21 'The Effects of Changes in Foreign Exchange Rates', the Group has designated the said loan as net investment in the foreign operations and the resulting gain/(loss) on exchange differences arising on the retranslation of the said loan amounting to (₹22.33) crores for the year ended March 31, 2024 (March 31, 2023 - ₹0.64 crore) has been included in foreign currency translation reserve.

**Capital redemption reserve** - Represents amount equal to the face value of equity shares transferred at the time of buy-back of shares in earlier years.

**Capital Reserve** - Includes profit on re-issue of forfeited shares.

### Note 23. Non Current Financial Liabilities-Borrowings

₹ in Crores

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **At amortised cost** | | |
| **Secured** | | |
| From Banks | | |
| Term Loan (refer note - 1 below) | 6.00 | 7.77 |
| **Total** | **6.00** | **7.77** |

Note 1:
Comprises of :

i. Term Loan of Polish Zloty (PLN) 2.84 million (March 31, 2023 - PLN 4.11 million) [equivalent ₹6.00 crores (March 31, 2023- equivalent ₹7.77 crores)] secured by way of hypothecation and/or morgage over the property held at Zywiec in Poland and carries interest at WIBOR 3 Month + margin ( March 31, 2023 - WIBOR 3 Month + margin) and it is repayable by June 2026.

ii. The Current portion of above long term borrowings are reflected in Note 28.

### Note 24. Non Current Financial liabilities- Other financial liabilities

₹ in Crores

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **At amortised cost** | | |
| Deposits @ | 72.35 | 76.10 |
| **Total** | **72.35** | **76.10** |

@ Includes deposits from distributor, franchisee and on account of colour bank machines.

## Notes to Consolidated Financial Statements (contd.)

### Note 25. Non Current Provisions

₹ in Crores

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Provision for employee benefits** | | |
| - Provision for gratuity (Refer Note 47) | 4.17 | 3.88 |
| - Provision for leave encashment | 4.12 | 3.75 |
| **Others** | | |
| Provision for decommissioning [Refer Note (a) below] | 4.64 | 4.29 |
| **Total** | **12.93** | **11.92** |
| **(a) Provision for decommissioning #** | | |
| At the beginning of the year | 4.29 | 3.98 |
| Discount unwinding for the year (Refer Note 41) | 0.35 | 0.31 |
| **At the end of the year** | **4.64** | **4.29** |

# Recognised towards provision for decommissioning/dismantling of Property, Plant and Equipment on leasehold lands.

### Note 26. Deferred Tax Assets & Liabilities (net)

₹ in Crores

| Particulars | Balance as at April 01, 2023 | Recognised/ (reversed) in profit and loss during the year | Recognised/ (reversed) in other comprehensive income during the year | Exchange differences on consolidation during the year | Balance as at March 31, 2024 |
|---|---|---|---|---|---|
| **Deferred tax liabilities in relation to:** | | | | | |
| Temporary differences on depreciable assets | 108.41 | 26.76 | – | 3.29 | 138.46 |
| Financial Assets at fair value through profit and loss | 0.30 | 0.19 | – | – | 0.49 |
| Right-of-use assets under Ind AS 116 | 96.41 | 29.68 | – | – | 126.09 |
| Others | 0.13 | (0.13) | – | – | – |
| **Total (A)** | **205.25** | **56.50** | **–** | **3.29** | **265.04** |
| **Deferred tax assets in relation to:** | | | | | |
| Expenses allowable on payment basis for tax purposes | 35.10 | 6.34 | – | – | 41.44 |
| Temporary differences on depreciable assets | 0.08 | 0.01 | – | – | 0.09 |
| Decommissioning liability | 1.08 | 0.09 | – | – | 1.17 |
| Others through other comprehensive income | 4.22 | (0.01) | 0.06 | – | 4.27 |
| Lease liabilities under Ind AS 116 | 106.04 | 31.84 | – | – | 137.88 |
| Others | 3.64 | 6.62 | – | – | 10.26 |
| **Total (B)** | **150.16** | **44.89** | **0.06** | **–** | **195.11** |
| **Net deferred tax assets/(liabilities)** | **(55.09)** | **11.61** | **(0.06)** | **3.29** | **(69.93)** |
| **Disclosed as** | | | | | |
| **Deferred tax assets (Net)** | 0.76 | – | – | – | 0.86 |
| **Deferred tax liabilities (Net)** | (55.85) | – | – | – | (70.79) |
| | **(55.09)** | **–** | **–** | **–** | **(69.93)** |



Notes to Consolidated Financial Statements (contd.)

### Note 26. Deferred Tax Assets & Liabilities (net) (contd.)

₹ in Crores

| Particulars | Balance as at April 01, 2022 | Recognised/ (reversed) in profit and loss during the year | Recognised/ (reversed) in other comprehensive Income during the year | Exchange differences on consolidation during the year | Balance as at March 31, 2023 |
|---|---|---|---|---|---|
| **Deferred tax liabilities** | | | | | |
| Temporary differences on depreciable assets | 85.16 | 22.53 | – | 0.72 | 108.41 |
| Financial Assets at fair value through profit and loss | 0.42 | (0.12) | – | – | 0.30 |
| Right-of-use assets under Ind AS 116 | 76.11 | 20.30 | – | – | 96.41 |
| Others | – | 0.13 | – | – | 0.13 |
| **Total (A)** | **161.69** | **42.84** | **–** | **0.72** | **205.25** |
| **Deferred tax assets** | | | | | |
| Expenses allowable on payment basis for tax purposes | 14.20 | 20.90 | – | – | 35.10 |
| Temporary differences on depreciable assets | – | 0.08 | – | – | 0.08 |
| Decommissioning liability | 1.00 | 0.08 | – | – | 1.08 |
| Others through other comprehensive income | 4.00 | – | 0.22 | – | 4.22 |
| Lease liabilities under Ind AS 116 | 86.98 | 19.06 | – | – | 106.04 |
| Others | 3.83 | (0.19) | – | – | 3.64 |
| **Total (B)** | **110.01** | **39.93** | **0.22** | **–** | **150.16** |
| **Net deferred tax assets/(liabilities)** | **(51.68)** | **2.91** | **(0.22)** | **0.72** | **(55.09)** |
| **Disclosed as** | | | | | |
| **Deferred tax assets (Net)** | **1.17** | **–** | **–** | **–** | **0.76** |
| **Deferred tax liabilities (Net)** | **(52.85)** | **–** | **–** | **–** | **(55.85)** |
| | **(51.68)** | **–** | **–** | **–** | **(55.09)** |

### Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:

₹ in Crores

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| **Accounting Profit before Income tax** | **1,515.87** | **1,175.51** |
| Profit before income tax multiplied by standard rate of corporate tax in India of 25.168% (March 31, 2023: 25.168%) | 381.51 | 295.85 |
| Effects of: | | |
| Additional deduction allowed in respect of R&D Expenditure | (0.88) | (1.41) |
| Effect of different tax rates in the components | (3.72) | (1.80) |
| Disallowance of CSR expenditure | 5.53 | 4.99 |
| Other miscellaneous disallowances/(allowance) | 4.63 | 4.31 |
| **Net effective income tax** | **387.07** | **301.94** |
| Tax expense reported in the Statement of Profit and Loss | | |
| Current tax | 375.46 | 299.03 |
| Deferred tax charge | 11.61 | 2.91 |
| | **387.07** | **301.94** |

The tax rate used for reconciliation above is the corporate tax rate of 25.168% (Previous Year 25.168%) payable by the Holding Company on taxable profits under Indian tax law.

## Notes to Consolidated Financial Statements (contd.)

### Note 26. Deferred Tax Assets & Liabilities (net) (contd.)

The Group has the following unused tax losses pertaining to its subsidiaries Berger Paints (Cyprus) Limited including its step-down subsidiary and Berger Rock Paints Private Limited which arose on incurrence of capital losses and business losses under the Income Tax for which no deferred tax asset has been recognised in the Balance Sheet.

| Financial Year | Particulars | March 31, 2024 (₹ in Crores) | Expiry Date | March 31, 2023 (₹ in Crores) | Expiry Date |
|---|---|---|---|---|---|
| FY 2018-19 | Business Loss | 0.72 | Mar 2027 | – | – |
| FY 2018-19 | Depreciation | 0.06 | N.A. | – | – |
| FY 2018-19 | Business Loss | – | – | 10.69 | Dec 2023 |
| FY 2019-20 | Business Loss | 0.17 | Dec 2024 | 10.51 | Dec 2024 |
| FY 2019-20 | Business Loss | 3.21 | Mar 2028 | 3.33 | Mar 2028 |
| FY 2019-20 | Depreciation | 0.15 | N.A. | 0.15 | N.A. |
| FY 2020-21 | Business Loss | 0.07 | Dec 2025 | 5.36 | Dec 2025 |
| FY 2020-21 | Business Loss | 0.64 | Mar 2029 | 0.50 | Mar 2029 |
| FY 2020-21 | Depreciation | 0.15 | N.A. | – | – |
| FY 2021-22 | Depreciation | 0.15 | N.A. | 0.87 | N.A. |
| FY 2021-22 | Business Loss | 0.11 | Dec 2026 | 1.92 | Dec 2026 |
| FY 2021-22 | Depreciation | – | – | 0.22 | N.A. |
| FY 2021-22 | Business Loss | – | – | 2.21 | Dec 2026 |
| FY 2021-22 | Business Loss | 0.70 | Mar 2030 | 0.58 | Mar 2030 |
| FY 2021-22 | Depreciation | – | – | 0.26 | N.A. |
| FY 2022-23 | Business Loss | 0.14 | Dec 2027 | – | – |
| FY 2022-23 | Depreciation | – | – | 0.18 | N.A. |
| FY 2023-24 | Business Loss | 0.08 | Dec 2028 | – | – |

At the end of the reporting period, deferred tax liabilities have not been recognised on the temporary differences associated with undistributed earnings of the subsidiaries because management controls the distributions of the earnings of the subsidiaries to the holding company and it has no intention to distribute the earnings of the subsidiaries.

### Note 27. Non-current liabilities - Others

₹ in Crores

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Other liabilities | 12.64 | 4.08 |
| **Total** | **12.64** | **4.08** |

### Note 28. Current Financial liabilities- Borrowings

₹ in Crores

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **At amortised cost** | | |
| **Secured** | | |
| Cash credit (Refer Note 1 in the following page) | 21.76 | 2.11 |
| Working capital demand loan (Refer Note 2 in the following page) | 175.01 | 597.38 |
| Current maturities of long term borrowings (Refer Note 3 in the following page) | 2.67 | 2.39 |
| **Unsecured** | | |
| Working capital demand loan (Refer Note 2 in the following page) | – | 158.00 |
| **Total** | **199.44** | **759.88** |



Notes to Consolidated Financial Statements (contd.)

### Note 28. Current Financial liabilities- Borrowings (contd.)

**Note - 1:**

Cash Credits from banks are secured by way of first charge on book debts, inventories and other current assets ranking pari passu between the lenders for the Holding Company and three subsidiaries (first pari passu charge over entire current assets of the Holding Company and three subsidiaries). Cash Credit is repayable on demand and carries interest of 8.35% to 10.30% per annum (March 31, 2023: 6.85% to 12.75% per annum).

**Note - 2:**

(i) Working Capital Demand Loan amounting to ₹60.00 crores (March 31, 2023 - ₹674.27 crores) of the Holding Company carried an interest at 7.90% per annum as at March 31, 2024 (March 31, 2023: 6.73%- 8.70% per annum) and are repaid within the maturity period of 02-69 days. Out of the aforesaid loan of Holding Company, ₹60.00 crores (March 31, 2023: ₹516.27 crores) is secured by hypothecation of stock and book debts and ₹ Nil (March 31, 2023: ₹158.00 crores) is unsecured.

(ii) Working capital demand loan of one of the subsidiary of ₹40.00 crores (March 31, 2023 - ₹44.27 crores) is secured by hypothecation of stock & book debts and corporate guarantee of the Holding Company. Loans are repaid within maturity period of 7-90 days and carries interest 7.23% -7.90% per annum (March 31, 2023 - 7.75% per annum).

(iii) Working Capital Demand Loan of PLN 22.61 million [equivalent ₹47.74 Crores] (March 31, 2023-PLN 14.20 million [equivalent ₹26.86 crores]) and carries interest at WIBOR 1 Month + margin. The facility is secured by a blank promissory note, a mortgage established on the ownership right on a real property located in Zywiec, as assignment of claims under a property insurance policy, an 'undisclosed' general assignment of claims and an assignment of claims under receivable insurance contract.

(iv) Working Capital Demand Loan of PLN 5.61 million [equivalent ₹11.84 Crores] (March 31, 2023 -PLN 5.26 million [equivalent ₹9.98 crores]) and carries interest at SONIA + margin. The facility is secured by a blank promissory note, a mortgage established on the ownership right on a real property located in Zywiec, as assignment of claims under a property insurance policy, an 'undisclosed' general assignment of claims and an assignment of claims under receivable insurance contract.

(v) Non recourse factoring agreement of PLN 3.78 million (equivalent ₹7.98 Crores) [March 31, 2023: Nil] carries interest at WIBOR 1 Month + margin. The agreement is secured by a general assignment of receivables and a receivables insurance contract assignment.

(vi) Factoring agreement with Commercial Finance Limited- PLN 3.53 million (equivalent ₹7.45 Crores) [March 31, 2023: Nil]. It is secured by a corporate guarantee and a pledge of assets.

**Note - 3:**

Current maturities of long term borrowings includes :-

(i) Term Loan of PLN 1.26 million (March 31, 2023 - PLN 1.26 million) [equivalent ₹2.67 crores (March 31, 2023 ₹2.39 crores)] secured by way of hypothication and/or mortgage over the property held at Zywiec in Poland and carries interest at WIBOR 3 Month + margin ( March 31, 2023 -WIBOR 3 Month + margin) and it is repayable by June 2026.

## Notes to Consolidated Financial Statements (contd.)

### Note 28. Current Financial liabilities- Borrowings (contd.)

**Note - 4:**

Details of discrepancies between quarterly returns/statements of current assets filed by the Holding Company with banks and books of accounts are as follows –

₹ in Crores

| Quarter ended | Name of bank | Particulars | Amount as per books of account (A) | Amount as reported in the quarterly returns/ statements (B) | Difference (A) - (B) [Refer Note (b)] |
|---|---|---|---|---|---|
| June 2023 | Refer Note (a) below | Inventories | 2,013.66 | 1,976.95 | 36.71 |
| June 2023 | | Trade Receivables | 1,108.86 | 1,150.38 | (41.52) |
| June 2023 | | Trade Payables | 1,674.97 | 1,686.97 | (12.00) |
| September 2023 | | Trade Payables | 1,675.69 | 1,676.69 | (1.00) |
| December 2023 | | Inventories | 1,926.96 | 1,919.12 | 7.84 |

**Note:**

(a) The Holding Company has submitted stock statements with Axis bank, BNP Paribas, DBS bank, Federal bank, HDFC bank, HSBC bank, ICICI bank, IndusInd bank, JP Morgan, RBL bank, Standard Chartered bank, Yes bank, South Indian bank, Kotak Mahindra bank and State Bank of India.

(b) Quarterly returns/statements submitted to banks were prepared and filed on the basis of provisional books/financial statements.

(c) The quarterly returns/ statements filed by the subsidiaries with the banks are in agreement with the books of accounts.

**Note - 5: Changes in liabilities arising from financing activities:**

₹ in Crores

| Particulars | April 1, 2023 | Cash flows (Net) | Leases (Net) | Others # | March 31, 2024 |
|---|---|---|---|---|---|
| **Long term borrowing (Including current maturities)** | 10.16 | (1.49) | – | – | 8.67 |
| **Current Borrowings** | | | | | |
| Cash credit (net) | 2.11 | 19.65 | – | – | 21.76 |
| Working Capital Demand Loan | 755.38 | (580.37) | – | – | 175.01 |
| **Current and Non Current Lease Liability (Refer Note 49)** | 421.32 | (159.91) | 248.38 | 38.06 | 547.85 |

₹ in Crores

| Particulars | April 1, 2022 | Cash flows (Net) | Leases (Net) | Others # | March 31, 2023 |
|---|---|---|---|---|---|
| **Long term borrowing (Including current maturities)** | 76.07 | (65.91) | – | – | 10.16 |
| **Current Borrowings** | | | | | |
| Cash credit (net) | 18.16 | (16.05) | – | – | 2.11 |
| Working Capital Demand Loan | 58.70 | 696.68 | – | – | 755.38 |
| Commercial paper | 515.00 | (515.00) | – | – | – |
| **Current and Non Current Lease Liability (Refer Note 49)** | 345.60 | (100.00) | 146.95 | 28.77 | 421.32 |

# It includes accretion of interest and translation difference



Notes to Consolidated Financial Statements (contd.)

### Note 29. Current Financial liabilities- Trade Payables

₹ in Crores

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **At amortised cost** | | |
| Total outstanding dues of micro enterprises and small enterprises (Refer Note 29.1 below) | 60.46 | 101.95 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | | |
| (i) Acceptances* | 196.43 | 176.69 |
| (ii) Outstanding other than Acceptances | 1,422.32 | 1,487.05 |
| [Includes ₹55.37 crores (March 31, 2023 ₹63.98 crores) payable to related parties] (Refer Note 51b) | | |
| **Total** | **1,679.21** | **1,765.69** |

***Note:** Acceptances include arrangements where operational suppliers of goods and services are initially paid by banks while the Holding Company continues to recognise the liability till settlement with the banks which are normally effected within a period of 90 days.

### Note 29. 1. Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under to the extent the Group has received intimation from the suppliers regarding their status under the Act

₹ in Crores

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Principal amount remaining unpaid at the end of the year ** | 52.63 | 94.92 |
| Interest due thereon remaining unpaid at the end of the year | 8.79 | 7.90 |
| **Total** | **61.42** | **102.82** |
| Delayed payment of Principal amount paid beyond appointed date during the entire financial year | 149.38 | 364.85 |
| Interest actually paid under Section 16 of the Act during the entire accounting year | – | – |
| Amount of Interest due and payable for the period of delay in making the payment (which have been paid but beyond the appointed day during the year) but without adding interest specified under this Act | 0.89 | 2.31 |
| Amount of Interest due and payable for the period (where principal has been paid but interest under the MSMED Act not paid) | – | – |
| Interest accrued and remaining unpaid at the end of the year | 0.89 | 2.40 |
| The amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid to the Micro and Small Enterprises for the purpose of disallowances as deductible expenditure under Section 23 of this Act | 8.79 | 7.90 |

**Terms and conditions of the above trade payables:**

Trade payables are non interest bearing and are normally settled on 45-90 days terms.

For terms and conditions of transactions with related parties, Refer Note 51b.

** Includes ₹0.96 crore (March, 2023 ₹0.87 crore) outstanding in respect of Capital Creditors as disclosed in Note 30.

## Notes to Consolidated Financial Statements (contd.)

### Note 29 a. Trade Payables Ageing Schedule

₹ in Crores

| Particulars | As at March 31, 2024 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Unbilled Dues | Not Due | Outstanding for following periods from due date of payment | | | | Total |
| | | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Total outstanding dues of micro enterprises and small enterprises | – | 51.49 | 1.07 | 2.40 | 1.02 | 4.48 | 60.46 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 421.83 | 1,003.29 | 165.74 | 3.78 | 14.90 | 9.21 | 1,618.75 |

₹ in Crores

| Particulars | As at March 31, 2023 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Unbilled Dues | Not Due | Outstanding for following periods from due date of payment | | | | Total |
| | | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Total outstanding dues of micro enterprises and small enterprises | – | 80.78 | 15.63 | 1.04 | 1.66 | 2.84 | 101.95 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 430.40 | 994.15 | 214.26 | 14.93 | 2.16 | 7.84 | 1,663.74 |

There are no outstanding disputed dues of micro enterprises and small enterprises and creditors other than micro enterprises and small enterprises.

### Note 30. Current financial liabilities- other financial liabilities

₹ in Crores

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **At amortised cost** | | |
| Interest accrued but not due | 2.07 | 1.37 |
| Unpaid Dividends (to be credited to Investor Education and Protection Fund as and when due) | 4.35 | 4.71 |
| Deposits @ | 32.90 | 35.58 |
| Capital creditors * | 40.72 | 26.27 |
| Accrued employee liabilities | 46.03 | 45.92 |
| Other payables | 24.61 | 39.03 |
| **Total** | **150.68** | **152.88** |

@ Includes deposit on account of tender, supply - apply contracts and colour bank machines.

* Includes outstanding dues of micro enterprises and small enterprises - March 31, 2024: ₹0.96 crores (March 31, 2023 : ₹0.87 crores (Refer Note 29.1).

### Note 31. Other current liabilities

₹ in Crores

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Advance from customers | 28.80 | 24.62 |
| Statutory liabilities | 95.92 | 93.22 |
| Other liabilities | 18.50 | 5.89 |
| **Total** | **143.22** | **123.73** |



Notes to Consolidated Financial Statements (contd.)

### Note 32. Current Provisions

₹ in Crores

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Provision for Gratuity (refer Note 47) | 5.34 | 5.76 |
| Provision for Leave encashment | 32.27 | 40.01 |
| Provision for Excise, Customs, Sales tax, GST, Service Tax [Refer Note (a) below] | 22.67 | 20.08 |
| Provision for Housing Fund [Refer Note (b) below] | 1.29 | 1.40 |
| **Total** | **61.57** | **67.25** |
| **Note a:** | | |
| **Movement in Provision for Excise, Customs, Sales tax, GST, Service Tax:** | | |
| At the beginning of the year | 20.08 | 6.92 |
| Additions | 4.93 | 13.16 |
| Utilization/ Reversal | (2.34) | - |
| **At the end of the year** | **22.67** | **20.08** |
| The above provisions represent estimates made mainly for probable claims arising out of litigations/disputes pending with authorities under various statutes (Excise duty, Customs duty, Sales tax, GST and Service tax). | | |
| **Note b:** | | |
| **Housing Fund** | | |
| At the beginning of the year | 1.40 | 1.60 |
| Arisen during the year | 0.06 | 0.12 |
| Utilized during the year | (0.17) | (0.32) |
| **At the end of the year** | **1.29** | **1.40** |
| Provision for housing fund has been recognised towards compliance with Section-41 of Nepal Labour Act, 2048 in a subsidiary, Berger Jenson & Nicholson (Nepal) Pvt Ltd. | | |

### Note 33. Current tax liabilities (net)

₹ in Crores

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Provision for income tax [net of advance taxes of ₹911.46 crores (March 31, 2023 : ₹697.01 crores)] | 22.81 | 18.44 |
| **Total** | **22.81** | **18.44** |

### Note 34. Distribution made and proposed by the Holding Company

₹ in Crores

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| **Dividends on equity shares declared and paid:** | | |
| Final dividend for the year ended March 31, 2023- ₹3.20 per share (March 31, 2022 - ₹3.10 per share) | 310.86 | 301.11 |
| **Total** | **310.86** | **301.11** |
| **Proposed dividends on equity shares:** | | |
| Final dividend for March 31, 2024- ₹3.50 per share (March 31, 2023 - ₹3.20 per share) | 408.03 | 310.86 |
| **Total** | **408.03** | **310.86** |

As at March 31, 2024, proposed dividend on equity shares are subject to approval in the ensuing Annual General meeting. Pending such approval proposed dividend have not been recognised in these financial statements.

## Notes to Consolidated Financial Statements (contd.)

### Note 35. Revenue from Operations

₹ in Crores

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| Revenue from contracts with customers | | |
| Sale of products (net off rebates and discounts) | 10,999.46 | 10,376.27 |
| Combined contracts | 100.75 | 39.11 |
| Other operating revenue | | |
| Sale of scrap | 23.47 | 24.11 |
| Income from government grant # | 54.96 | 113.63 |
| Others | 20.28 | 14.72 |
| **Total** | **11,198.92** | **10,567.84** |

# Income from Government grant represents subsidy recognized under various Incentive Schemes/Packages of State Government and Government of India applicable to eligible units. During the previous year, the Holding Company has accounted for ₹55.55 crores towards GST subsidy under Industrial Investment Promotion Policy in respect of its manufacturing facilities in the state of Andhra Pradesh.

### Note 35.1. Disaggregation of revenue from contracts with customers

The Group derives revenue from following major segments:

₹ in Crores

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| **A. Revenue disaggregated based on nature of product or services** | | |
| **(i) Revenue from contracts with customers** | 10,999.46 | 10,376.27 |
| Revenue from sale of paints and allied products (net of rebates and discounts) * | 100.75 | 39.11 |
| Revenue from combined contracts ** | **11,100.21** | **10,415.38** |
| **(ii) Other operating revenues** | | |
| Sale of Scrap | 23.47 | 24.11 |
| Income from government grant | 54.96 | 113.63 |
| Others | 20.28 | 14.72 |
| | **98.71** | **152.46** |
| **Total** | **11,198.92** | **10,567.84** |
| **B. Revenue from contracts with customers disaggregated based on geography** | | |
| India | 10,427.38 | 9,782.09 |
| Outside India | 672.83 | 633.29 |
| **Total** | **11,100.21** | **10,415.38** |

* Revenue from sale of goods is recognised on transfer of control in the goods to customers at a point of time by performance of obligation towards delivery or as per customers' instruction. (Also refer Note 3.6)

** Revenue from combined contract represents revenue from supply apply contracts which are recognised at a point of time or over a period of time (as applicable), when such combined output is delivered to customers' satisfaction as per agreed milestones and customers acknowledge their obligation to pay for such output in accordance with terms and condition of underlying contracts. (Also refer Note 3.6)

The Group provides agreed upon performance warranty for selected range of products and services. The amount of liability towards such warranties are immaterial.



Notes to Consolidated Financial Statements (contd.)

### Note 35. 2. Reconciliation of gross revenue with revenue from contracts with customers

₹ in Crores

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| Gross revenue | 13,050.66 | 12,267.67 |
| Less: rebates and discounts | 1,950.45 | 1,852.29 |
| **Net revenue recognised from contracts with customers** | **11,100.21** | **10,415.38** |

### Note 36. Other income

₹ in Crores

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| Interest Income | | |
| On deposits with banks carried at amortized cost | 16.85 | 13.38 |
| Others | 8.69 | 2.49 |
| Gain on early termination of leases | 3.20 | 3.65 |
| Insurance claim received | 0.67 | 1.67 |
| Net gain on sale of mutual fund investments measured at FVTPL | 6.16 | 1.95 |
| Fair value gain on mutual fund investments measured at FVTPL | 1.47 | 0.30 |
| Discount Income | 2.54 | 3.11 |
| Arrangement Fees | 3.17 | 5.57 |
| Royalty Income [Refer Note 51b(A)] | 0.08 | 0.12 |
| Gain on sale/discard of Property, plant and equipment and intangible assets | 1.24 | - |
| Sundry balances written back | 5.14 | 3.49 |
| Miscellaneous Income | 14.47 | 15.84 |
| **Total** | **63.68** | **51.57** |

### Note 37. Cost of materials consumed

₹ in Crores

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| Raw materials consumed | | |
| Opening Stock | 713.77 | 805.73 |
| Purchases | 4,868.30 | 5,002.50 |
| Closing stock | (701.50) | (713.77) |
| | **4,880.57** | **5,094.46** |
| Packing material consumed | | |
| Opening Stock | 47.79 | 49.48 |
| Purchases | 712.72 | 756.47 |
| Closing stock | (43.60) | (47.79) |
| | **716.91** | **758.16** |
| **Cost of materials consumed** | **5,597.48** | **5,852.62** |

## Notes to Consolidated Financial Statements (contd.)

### Note 38. Purchases of stock-in-trade

₹ in Crores

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| Purchases of stock-in-trade* | 923.77 | 971.14 |
| **Total** | **923.77** | **971.14** |

* Represents traded goods

### Note 39. (Increase)/decrease in inventories of finished goods, stock-in-trade and work-in-progress

₹ in Crores

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| **Opening Stock** | | |
| Work-in-progress | 140.92 | 144.99 |
| Finished goods | 1,223.95 | 1,151.30 |
| Stock-in-trade | 170.39 | 145.73 |
| | **1,535.26** | **1,442.02** |
| **Closing Stock** | | |
| Work-in-progress | 144.91 | 140.92 |
| Finished goods | 1,118.51 | 1,223.95 |
| Stock-in-trade | 147.09 | 170.39 |
| | **1,410.51** | **1,535.26** |
| **(Increase)/decrease in inventories of finished goods, stock-in-trade and work-in-progress** | **124.75** | **(93.24)** |

### Note 40. Employee benefits expense

₹ in Crores

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| Salaries, wages and bonus | 630.63 | 530.80 |
| Contribution to provident and other funds (Refer Note 47) | 42.78 | 37.15 |
| Share based payment to employees (Refer Note 48) | 5.71 | 4.56 |
| Staff welfare expenses | 33.91 | 36.68 |
| **Total** | **713.03** | **609.19** |

### Note 41. Finance Costs

₹ in Crores

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| Interest on borrowings | 36.61 | 62.69 |
| Interest on lease liabilities (Refer Note 49) | 36.19 | 31.10 |
| Unwinding of discount on provisions (Refer Note 25) | 0.35 | 0.31 |
| Interest others | 5.10 | 5.13 |
| **Total** | **78.25** | **99.23** |



Notes to Consolidated Financial Statements (contd.)

### Note 42. Depreciation and amortization expense

₹ in Crores

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| Depreciation of property, plant and equipment (Refer Note 4) | 232.45 | 178.88 |
| Amortization of intangible assets (Refer Note 7a) | 5.87 | 5.49 |
| Depreciation of right-of-use assets (Refer Note 49) | 92.56 | 79.66 |
| **Total** | **330.88** | **264.03** |

### Note 43. Other expenses

₹ in Crores

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| Freight and Forwarding Charges | 706.71 | 670.33 |
| Power and fuel | 88.32 | 83.27 |
| Consumption of stores and spare parts | 17.64 | 14.61 |
| Repairs | | |
| - Plant and machinery | 33.93 | 28.10 |
| - Building | 1.71 | 2.20 |
| - Others | 17.92 | 17.28 |
| Rent (Refer Note 49) | 15.36 | 12.84 |
| Advertisement and Sales Promotion Expenses | 445.42 | 337.89 |
| Processing Charges | 42.10 | 49.14 |
| Rates and Taxes | 14.40 | 28.11 |
| Travelling | 94.99 | 71.09 |
| Insurance | 14.98 | 12.72 |
| Foreign Exchange Loss (net) | 4.04 | 19.04 |
| Commission to Non-Executive Directors (Refer Note 51b) | 0.64 | 0.57 |
| Payment to Auditors | 1.23 | 1.48 |
| Information Technology Expenses | 47.41 | 49.37 |
| Professional Fees | 25.35 | 14.23 |
| Retainership Fees | 7.91 | 6.93 |
| Provision for Bad Debts (including Bad Debts written off) | 21.31 | 22.70 |
| Office Upkeep | 110.54 | 85.17 |
| Carrying & Forwarding Expenses | 81.14 | 71.29 |
| Subcontractor Expenses | 56.83 | 29.81 |
| Printing & Stationery | 6.69 | 6.11 |
| CSR expenditure (Refer Note 43.1) | 21.99 | 19.84 |
| Loss on sale/discard of Property, plant and equipment & intangible assets | - | 3.76 |
| Miscellaneous Expenses | 100.01 | 83.05 |
| **Total** | **1,978.57** | **1,740.93** |

### Note 43.1. Details of CSR expenditure

₹ in Crores

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| **a)** Gross amount required to be spent by the Holding Company and its Indian subsidiaries incorporated in India during the year | 21.44 | 19.66 |
| **b)** Amount approved by the Board to be spent during the year | 21.99 | 19.84 |

## Notes to Consolidated Financial Statements (contd.)

### Note 43.1. Details of CSR expenditure (contd.)

₹ in Crores

| Particulars | In cash | Yet to be paid in cash @ | Total |
|---|---|---|---|
| **c)** Amount spent during the year ended March 31, 2024: # | | | |
| (i) Construction/Acquisition of an asset | - | - | - |
| (ii) Purposes other than (i) above | 21.99 | - | 21.99 |
| **Total** | **21.99** | **-** | **21.99** |
| **d)** Amount spent during the year ended March 31, 2023: | | | |
| (i) Construction/Acquisition of an asset | - | - | - |
| (ii) Purposes other than (i) above | 19.03 | 0.81 | 19.84 |
| **Total** | **19.03** | **0.81** | **19.84** |

# Corporate Social Responsibility expense of ₹20.79 crores (March 31, 2023: ₹19.28 crores) includes programme for promoting employment enhancing vocational skill programme named 'iTrain and ₹1.20 crores (March 31, 2023 ₹0.56 crore) related to subsidiaries.

The subsidiaries have undertaken activities like primary health and education, contribution to IITs, various educational infrastructure developments.

@ Represents CSR activity undertaken during the year for which contractual payment was made subsequent to the year-end.

In compliance with the provisions laid under Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 and Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, there was no amount unspent for the year ended March 31, 2024. Amount available for set off in succeeding financial years ₹0.55 crore (March 31, 2023: ₹0.18 crore).

### Note 44. Earnings Per Share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Holding Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Holding Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following table reflects the income and earning per share data used in the basic and diluted EPS computations:

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| Net Profit after tax attributable to Equity holders of the Parent for calculation of Basic and Diluted Earnings Per Share (₹ in crores) (I) | 1,167.74 | 859.42 |
| Weighted average number of shares (II) | | |
| - Basic | 1,16,57,23,237 | 1,16,56,35,378 |
| - Diluted (refer note on effect of dilution below) | 1,16,58,68,269 | 1,16,57,67,126 |
| Earning per equity share [nominal value of ₹1 per share] [(I)/(II)] | | |
| - Basic | 10.02 | 7.37 |
| - Diluted | 10.02 | 7.37 |
| Effect of dilution: | | |
| Weighted average number of equity shares in calculating Basic Earnings Per Share | 1,16,57,23,237 | 1,16,56,35,378 |
| Dilution - Stock options granted under Employee stock option plan (Refer Note 48) | 1,45,032 | 1,31,748 |
| Weighted average number of equity shares in calculating diluted EPS | 1,16,58,68,269 | 1,16,57,67,126 |

There have been no other transactions involving Equity shares or potential Equity shares between the reporting date and the date of authorisation of these consolidated financial statements.



Notes to Consolidated Financial Statements (contd.)

### Note 45. Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

#### (i) Judgements, Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur. In the process of applying the Group's accounting policies, management has made the following judgements, estimates and assumptions, which have the most significant effect on the amounts recognised in the consolidated financial statements.

#### (ii) Defined Employer Benefit plans (Refer Note 3.17)

The cost and the present value of the defined benefit gratuity plan and other post-employment leave encashment benefit are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in future. These include the determination of appropriate discount rate, estimating future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. For further details refer Note 47.

#### (iii) Fair value measurement of financial instruments (Refer Note 3.22)

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer Note 54 for further disclosures.

#### (iv) Depreciation on Property, Plant and Equipment (Refer Note 3.9)

Property, plant and equipment represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of group's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. Property, plant and equipment represent a significant proportion of the asset base of the Holding Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Holding Company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. The Holding Company also considers the impact of health, safety and environmental legislation in its assessment of expected useful lives and estimated residual values.

## Notes to Consolidated Financial Statements (contd.)

### Note 45. Significant accounting judgements, estimates and assumptions (contd.)

#### (v) Impairment allowance on trade receivables (Refer Note 3.6)

The Group makes loss allowances for credit impaired debts based on an assessment of the recoverability of trade and other receivables. The identification of credit impaired debts enquires use of judgments and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and credit impaired debts expenses in the period in which such estimate has been changed.

#### (vi) Decommissioning Liability (Refer Note 3.9)

Decommissioning Liability has been recognised for items of property, plant and equipment built or installed on specified leasehold land the terms of which includes decommissioning of such assets on expiry of the lease prior to handing over to the lessor. The decommissioning costs as at the end of the lease period have been estimated based on current costs by the Holding Company's own technical experts and have been escalated to the end of the leasehold period using suitable inflation factors. The said escalated cost as at the end of the lease period is now discounted to the present value of such liability by applying Holding Company's weighted average cost of capital.

#### (vii) Impairment test for Goodwill (Refer Note 3.15)

##### (a) Bolix S. A.

Goodwill of ₹230.36 crores had arisen on acquisition of Bolix S. A., a wholly owned step down subsidiary of the Holding Company in an earlier year. The Group assesses the goodwill for any indication of impairment at annual basis. Based on such assessment there is no impairment in goodwill that needs to be recognised. The Group treats Bolix S.A. as one cash generating unit and goodwill relating to that business is tested annually for impairment. This testing is done by computing the value in use by using cash flow projections based on approved budget for 2024 (Previous Year: 2023) and financial forecast for the years 2025 – 2028 (Previous Year: 2024-2027). Based on such assessment there is no impairment in goodwill that needs to be recognised.

**Key Assumptions used for value in use calculations are as follows:**

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Average annual increase in cash flows during the forecast period (i.e., five years) | 42.10% | 20.90% |
| Growth rate used for extrapolation of cash flow projections beyond the five-year period (Previous year: five year) | 0.00% | 0.00% |
| Discount rate-Pre tax | 8.70% | 6.50% |

##### (b) Others

The Group has Goodwill on consolidation arising from acquisition of STP Limited, Berger Hesse Wood Coatings Private Limited, Berger Paints Cyprus Limited and SBL Specialty Coatings Private Limited. Based on impairment assessment carried out by the management, no impairment in goodwill is required to be recognised. Refer Note 6.

#### (viii) Revenue from combined contracts (Refer Note 3.6)

The Group exercises judgement in estimating cost for recognizing revenue from combined contract with customers. Losses on onerous contracts (if any) are recognized in the consolidated financial statements.



Notes to Consolidated Financial Statements (contd.)

### Note 46. Information related to subsidiaries and joint ventures

The Subsidiaries and Joint Ventures considered in the consolidated financial statements are as follows:

| Name of Company | Country of Incorporation | % voting power as at March 31, 2024 | % voting power as at March 31, 2023 | Accounting period |
|---|---|---|---|---|
| **Direct subsidiaries** | | | | |
| Berger Jenson & Nicholson (Nepal) Private Limited | Nepal | 100% | 100% | 15th March - 13th March |
| Beepee Coatings Private Limited | India | 100% | 100% | 1st April - 31st March |
| Berger Paints (Cyprus) Limited | Cyprus | 100% | 100% | 1st January - 31st December |
| Lusako Trading Limited | Cyprus | 100% | 100% | 1st January - 31st December |
| SBL Specialty Coatings Private Limited | India | 100% | 100% | 1st April - 31st March |
| Berger Hesse Wood Coatings Private Limted | India | 51% | 51% | 1st April - 31st March |
| Berger Rock Paints Private Limited | India | 51% | 51% | 1st April - 31st March |
| STP Limited | India | 95.53% | 95.53% | 1st April - 31st March |
| **Indirect subsidiaries** | | | | |
| Berger Paints Overseas Limited [100% Subsidiary of Berger Paints (Cyprus) Limited ] | Russia | 100% | 100% | 1st January - 31st December |
| Bolix S.A. (100% Subsidiary of Lusako Trading Limited) | Poland | 100% | 100% | 1st January - 31st December |
| Build Trade sp. z.o.o (100% Subsidiary of Bolix S.A.) | Poland | 100% | 100% | 1st January - 31st December |
| Bolix UKRAINE sp. z.o.o. (100% Subsidiary of Bolix S.A.) | Ukraine | 99% | 99% | 1st January - 31st December |
| Soltherm External Insulations Limited (100% Subsidiary of Bolix S.A.) | United Kingdom | 100% | 100% | 1st January - 31st December |
| Soltherm Isolations Thermique Exterieure SAS (Ltd.) (100% Subsidiary of Bolix S.A.) | France | 100% | 100% | 1st January - 31st December |
| **Joint Ventures** | | | | |
| Berger Becker Coatings Private Limited | India | 48.98% | 48.98% | 1st April - 31st March |
| Berger Nippon Paint Automotive Coatings Private Limited | India | 49.00% | 49.00% | 1st April - 31st March |
| Surefire Management Services Ltd.( Joint venture of Bolix S.A) | United Kingdom | 75.00% | 75.00% | 1st January - 31st December |

There are no material transactions/events that have occurred between January 1/March 14 and March 31 which might have a material impact on the profitability or financial position on these consolidated financial statements.

### Note 47. Gratuity and other post-employment benefit plans

#### (I) Defined benefit plans

##### (a) Gratuity

(i) The following table summarizes the components of net defined benefit expense towards gratuity recognised in the Statement of Profit and loss and OCI and the funded status and amounts recognised in the Balance Sheet.

₹ in Crores

| | Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| (A) | **Changes in the present value of defined benefit obligation** | | |
| | Present value of defined benefit obligation as at year beginning | 68.57 | 62.54 |
| | Current Service Cost | 6.18 | 6.96 |
| | Interest Cost | 4.74 | 4.28 |

## Notes to Consolidated Financial Statements (contd.)

### Note 47. Gratuity and other post-employment benefit plans (contd.)

₹ in Crores

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Re-measurements (gains)/losses** | | |
| -Actuarial (gains)/losses arising from changes in financial assumptions | 0.52 | 0.85 |
| -Actuarial (gains)/losses arising from changes in demographic assumptions | - | 0.92 |
| -Actuarial (gains)/losses arising from changes in experience adjustments | (0.63) | (0.77) |
| Benefits Paid | (5.20) | (6.21) |
| **Present value of defined benefit obligation as at year end** | **74.18** | **68.57** |

₹ in Crores

| | Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **(B)** | **Changes in fair value of plan assets** | | |
| | Fair Value of Plan Assets as at year beginning | 58.93 | 53.85 |
| | Interest Income | 4.26 | 5.27 |
| | Re-measurements gains/(losses) | | |
| | -Return on plan assets greater/(lesser) than discount rate | (0.29) | 0.16 |
| | -Actuarial gains/(losses) arising from changes in financial assumptions | (0.04) | (0.01) |
| | Employer's Contribution | 7.01 | 5.67 |
| | Benefits Paid | (5.20) | (6.01) |
| | **Fair Value of Plan Assets as at year end** | **64.67** | **58.93** |

₹ in Crores

| | Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **(C)** | **Amounts Recognised in the Balance Sheet** | | |
| | Present value of defined benefit obligation at the year end | 74.18 | 68.57 |
| | Fair Value of the Plan Assets at the year end | 64.67 | 58.93 |
| | **Liability Recognised in the Balance Sheet** | **(9.51)** | **(9.64)** |

₹ in Crores

| | Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|---|
| **(D)** | **Expense recognised in the Statement of Profit and Loss:** | | |
| | Current service cost | 6.18 | 6.96 |
| | Net Interest Cost/(Income) | 0.48 | (0.99) |
| | **Net Cost Recognised in the Statement of Profit and Loss** | **6.66** | **5.97** |
| | **Expense recognised in Other Comprehensive Income:** | | |
| | Re-measurements gains/(losses) | 0.22 | 0.85 |
| | **Net Cost Recognised in the Other Comprehensive Income** | **0.22** | **0.85** |



Notes to Consolidated Financial Statements (contd.)

### Note 47. Gratuity and other post-employment benefit plans (contd.)

**(ii)** The principal assumptions used in determining gratuity obligations for the Group's plans are shown below:

| Significant Actuarial Assumptions | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Discount Rate | 7.1% to 7.6% | 7.1% to 7.6% |
| Withdrawal Rate | | |
| - Management | 8.00% | 8.00% |
| - Officer | 15.00% | 15.00% |
| -Staff/worker | 3.00% | 3.00% |
| Salary increase | | |
| - Management | 7.00% | 7.00% |
| - Officer | 6.00% | 6.00% |
| -Staff/worker | 6.00% | 6.00% |
| Mortality Rate | Indian Assured Lives (Mortality 2006-08 modified) Ult | Indian Assured Lives (Mortality 2006-08 modified) Ult |

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

Assumptions regarding future mortality experience are set in accordance with the published statistics by the Actuary.

The discount rate is based on the government securities yield.

The Group assesses these assumptions with its projected long-term plans of growth and prevalent industry standards.

**(iii) Plan Asset information:**

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Assets under scheme of insurance | 100% | 100% |

**(iv) A quantitative sensitivity analysis for significant assumptions are as shown below**

| Assumptions | As at March 31, 2024 Discount rate | | As at March 31, 2023 Discount rate | |
|---|---|---|---|---|
| Sensitivity Level | 1% increase | 1% decrease | 1% increase | 1% decrease |
| Impact on defined benefit obligation (₹ crores) | (3.98) | 4.50 | (3.92) | 4.40 |

| Assumptions | As at March 31, 2024 Future salary | | As at March 31, 2023 Future salary | |
|---|---|---|---|---|
| Sensitivity Level | 1% increase | 1% decrease | 1% increase | 1% decrease |
| Impact on defined benefit obligation (₹ crores) | 4.00 | (3.62) | 4.19 | (3.83) |

**Impact on defined benefit obligation**

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation by one percentage, keeping all other actuarial assumptions constant. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

**(v) Risk Exposure**

**Impact on defined benefit obligation**

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation by one percentage, keeping all other actuarial assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the

## Notes to Consolidated Financial Statements (contd.)

### Note 47. Gratuity and other post-employment benefit plans (contd.)

sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The method and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

These plans typically expose the Group to actuarial risks such as: Investment Risk, Interest Risk, Longevity Risk and Salary Risk.

**Investment Risk:** The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

**Interest Risk:** A decrease in the government bond interest rate will increase the plan liability.

**Longevity Risk:** The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

**Salary Risk:** The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

**(vi) Defined Benefit Liability and Employer Contributions**

Since the employees gratuity fund is a defined benefit plan maintained by Life Insurance Corporation of India the return is generated from a pool of assets invested by them and any deficit in the liability and return on plan assets is funded by the Company on a yearly basis.

**(vii)** The Group expects to contribute an amount to gratuity as specified in report by Fund custodian during the subsequent accounting year.

**(viii) Maturity profile of the defined benefit obligation**

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Weighted Average duration of the defined benefit obligation | 6 - 14 Years | 6 - 14 Years |

| Particulars | ₹ in Crores | ₹ in Crores |
|---|---|---|
| Within the next 12 months (next annual reporting period) | 8.69 | 7.17 |
| Between 2 and 5 years | 33.18 | 38.13 |
| Beyond 5 years | 37.02 | 58.40 |

**(b) Provident Fund**

Provident Fund for certain eligible employees is administered by the Holding Company through "Berger Paints Provident Fund (Covered)" as per the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952. The Rules for such a trust provide that in a provident fund set up by the employer, any shortfall in the rate of interest on member contributions as compared to the relevant rate of interest declared by the Government of India for this purpose will have to be met by the employer. Such provident fund would in effect be a defined benefit plan in accordance with the requirement of Ind AS 19 - Employee Benefits.



Notes to Consolidated Financial Statements (contd.)

Note 47. Gratuity and other post-employment benefit plans (contd.)

The Actuary has carried out actuarial valuation of interest rate guarantee obligations as at the Balance Sheet date using Projected Unit Credit Method as outlined in the Professional Guidance Note 29 issued by the Institute of Actuaries of India. Based on such valuation, there is no future anticipated shortfall with regards to interest rate guarantee obligation of the Holding Company as at the balance sheet date. Further during the year, the Holding Company's contribution of ₹15.30 crores (March 31, 2023: ₹8.02 crores) to the Provident Fund Trust, has been expensed under "Contribution to Provident and Other Funds". Disclosures given hereunder are restricted to the information available as per the Actuary's report.

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Discount rate | 7.10% | 7.10% |
| Rate of return on Plan Assets | 8.10% | 8.10% |

**(c) Other Defined Benefit Plans**

The amounts for "Other Defined Benefit Plans" are below the rounding off norm adopted by the Group (refer Note 60) and hence the disclosures as required under Ind AS 19 - "Employee Benefits" have not been given.

**(II) Defined contribution plans**

During the year, the Group has recognised the following amounts in the Statement of Profit and Loss for defined contribution plans:

₹ in Crores

| Particulars | Year ended 31, 2024 | Year ended 31, 2023 |
|---|---|---|
| Provident and Family Pension Fund (applicable for eligible employees whose provident fund accounts are maintained with the Regional Provident Fund Commissioner) | 6.01 | 5.65 |
| Superannuation Fund | 2.19 | 2.22 |

### Note 48. Share based payment to employees

**Berger Paints India Limited Employee Stock Option Plan 2016 (pertaining to the Holding Company)**

The Berger Paints India Limited – Employee Stock Option Plan 2016 ('the Plan') was approved at the Annual General Meeting of the Company held on 3rd August, 2016. The objective of the plan is to:

1) Attract, retain and motivate Employees,
2) Create and share wealth with the Employees,
3) Recognise and reward employee performance with shares and
4) Encourage employees to align individual performance with the objective of the Company. The terms and conditions of the Plan is reproduced below:
   a) "Vesting Date" means the date on and from which the Option vests with the Participant and thereby becomes exercisable.
   b) "Exercise Date" means the date on which the Participant exercises his Vested Options and in case of partial Exercise shall mean each date on which the Participant exercises part of his Vested Options.
   c) "Vesting Period" means the period during which the Vesting of the Option granted to the Participant in pursuance of the Plan takes place.

## Notes to Consolidated Financial Statements (contd.)

### Note 48. Share based payment to employees (contd.)

d) "Exercise Period" means a period of 3 years from the Vesting Date as defined above of the Plan within which the Vested Options can be exercised in pursuance of the Plan.

e) The Exercise Price of an Option shall be the face value of ₹1/- per Share

f) Cashless exercise of the Options are not permitted under the Plan. Participants to pay full Aggregate Exercise Price upon the Exercise of the Vested Options.

g) Subject to Participant's continued employment as defined in Clause 14 of the Plan the Unvested Options shall vest with the Participant automatically in accordance with the following schedule : a) 33% of the total Options granted, rounded up to the nearest whole number, shall vest on the first anniversary of the Grant Date; b) further 33% of the total Options granted, rounded up to the nearest whole number, shall vest on the second anniversary of the Grant Date and c) balance 34% of the total Options granted, rounded up to the whole number such that the total number of Options vested shall add up to 100%, shall vest on the third anniversary of the Grant Date.

h) The Date of grant of options : 9th November, 2016, 9th November, 2017, 9th November, 2019, 10th February, 2021, 8th November, 2021, 17th October, 2022 and 8th November, 2023.

| | Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| (a) | Number of Stock Options outstanding (ESOP Plan 2016: Grant IV) | - | 23,021 |
| | Number of Stock Options outstanding (ESOP Plan 2016: Grant V) | 25,308# | 44,357* |
| | Number of Stock Options outstanding (ESOP Plan 2016: Grant VI) | 71,568# | 93,985 |
| | Number of Stock Options outstanding (ESOP Plan 2016: Grant VII) | 1,22,146 | - |
| | | **2,19,022** | **1,61,363** |

* Excludes 83 options being already vested and is exercisable at the end of the year.

# Includes bonus options 4,220 for Grant V and 11,928 for Grant VI.

| | Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|---|
| (b) | Number of Options granted during the year | | |
| | ESOP Plan 2016: Grant VI | – | 98,877 |
| | ESOP Plan 2016: Grant VII | 1,24,249 | – |
| | | **1,24,249** | **98,877** |
| (c) | Number of Options vested (ESOP Plan 2016: Grant III) | – | 27,276 |
| | Number of Options vested (ESOP Plan 2016: Grant IV) | 26,325# | 23,049 |
| | Number of Options vested (ESOP Plan 2016: Grant V) | 25801#^ | 22,994* |
| | Number of Options vested (ESOP Plan 2016: Grant VI) | 36,858# | – |
| | | **88,984** | **73,319** |

* Includes 83 options of Tranche I of Grant V, pending to be exercised and allotted.

# Includes bonus options 4,388 for Grant IV, 4,300 for Grant V and 6,143 for Grant VI.

^ Excludes 83 options of Tranche I of Grant V, pending to be exercised in the previous financial year, were exercised and allotted in the current financial year.



Notes to Consolidated Financial Statements (contd.)

Note 48. Share based payment to employees (contd.)

| | Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|---|
| (d) | Number of Options exercised (ESOP Plan 2016 : Grant III) | – | 27,276 |
| | Number of Options exercised (ESOP Plan 2016 : Grant IV) | 26,325# | 23,049 |
| | Number of Options exercised (ESOP Plan 2016 : Grant V) | 25884#^ | 22,911* |
| | Number of Options exercised (ESOP Plan 2016 : Grant VI) | 36,858# | – |
| | | **89,067** | **73,236** |

* Excludes 83 options of Tranche I of Grant V, pending to be exercised and allotted.

# Includes bonus options 4,388 for Grant IV, 4,314 for Grant V and 6,143 for Grant VI.

^ Includes 83 options of Tranche I of Grant V, pending to be exercised in the previous financial year, were exercised and allotted in the current financial year.

| | | | |
|---|---|---|---|
| (e) | Number of Shares arising on exercise (ESOP Plan 2016: Grant III) | – | 27,276 |
| | Number of Shares arising on exercise (ESOP Plan 2016: Grant IV) | 26,325# | 23,049 |
| | Number of Shares arising on exercise (ESOP Plan 2016: Grant V) | 25884#^ | 22,911* |
| | Number of Shares arising on exercise (ESOP Plan 2016: Grant VI) | 36,858# | – |
| | | **89,067** | **73,236** |

* Excludes 83 options of Tranche I of Grant V, pending to be exercised and allotted.

# Includes bonus options 4,388 for Grant IV, 4,314 for Grant V and 6,143 for Grant VI.

^ Includes 83 options of Tranche I of Grant V, pending to be exercised in the previous financial year, were exercised and allotted in the current financial year.

| | | | |
|---|---|---|---|
| (f) | Number of Options lapsed (ESOP Plan 2016: Grant III) | – | 1,567 |
| | Number of Options lapsed (ESOP Plan 2016: Grant IV) | 1,083 | 4,163 |
| | Number of Options lapsed (ESOP Plan 2016: Grant V) | 1,780 | 6,224 |
| | Number of Options lapsed (ESOP Plan 2016: Grant VI) | 3,630 | 4,892 |
| | Number of Options lapsed (ESOP Plan 2016: Grant VII) | 2,103 | – |
| | | **8,596** | **16,846** |
| (g) | Variation of terms of Option | None during the period | None during the period |
| | | **As at March 31, 2024** | **As at March 31, 2023** |
| (h) | Total Number of Options in force (ESOP Plan 2016: Grant IV) | – | 23,021 |
| | Total Number of Options in force (ESOP Plan 2016: Grant V) | 25,308# | 44,357@ |
| | Total Number of Options in force (ESOP Plan 2016: Grant VI) | 71,568# | 93,985 |
| | Total Number of Options in force (ESOP Plan 2016: Grant VII) | 1,22,146 | – |
| | | **2,19,022** | **1,61,363** |

@ Excludes 83 options of Tranche I of Grant V, pending to be exercised and allotted.

# Includes bonus options 4,220 for Grant V and 11,928 for Grant VI.

## Notes to Consolidated Financial Statements (contd.)

### Note 48. Share based payment to employees (contd.)

| | Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| (i) | Weighted Average exercise price of the Share Options (in ₹) | | |
| | Outstanding at the beginning of the year | 1 | 1 |
| | Granted during the year | 1 | 1 |
| | Forfeited during the year | - | - |
| | Exercised during the year | 1 | 1 |
| | Expired during the year | 1 | 1 |
| | Outstanding at the end of the year | 1 | 1 |
| | Exercisable at the end of the period | 1 | 1 |
| | | **Year ended March 31, 2024** | **Year ended March 31, 2023** |
| (j) | Weighted Average share price of options exercised during the year on the date of exercise | ₹1 | ₹1 |
| (k) | Weighted Average fair value of the Options granted during the year | | |
| | i. ESOP Plan 2016 Grant VI (Fair value as on 31.03.2023) | NA | 572.61 |
| | ii. ESOP Plan 2016 Grant VII (Fair value as on 31.03.2024) | 562.82 | NA |
| (l) | A description of the method and significant assumptions used during the year to estimate the fair value of Options granted, including the following weighted average information:- | | |
| | The Black Scholes Option Pricing Model for dividend paying stock has been used to compute the fair value of the Options. The significant assumptions are: | | |
| i. | Date of grant | | |
| | a. ESOP Plan 2016 | 08.11.2023 | 17.10.2022 |
| ii. | Weighted average share price | ₹573.05 | ₹581.70 |
| iii. | Exercise Price | ₹1 | ₹1 |
| iv. | Risk Free Interest rate | 7.05% | 7.32% |
| v. | Expected Life: | | |
| | a. For options vested on 09.11.2020 | – | 0.61 years |
| | b. For options vested on 10.02.2022 | 0.87 years | 1.87 years |
| | c. For options vested on 08.11.2022 | 1.61 years | 2.61 years |
| | d. For options vested on 17.10.2023 | 2.55 years | 3 years from the vesting day |
| | e. For options yet to be vested | 3 years from the vesting day | – |
| | | **Year ended March 31, 2024** | **Year ended March 31, 2023** |
| vi. | Expected Volatility | 17.37% | 18.85% |
| vii. | Expected dividend yield | 0.46% | 0.41% |
| viii. | Weighted Average fair value as on Grant date | | |
| | a. ESOP Plan 2016: Grant IV - 10.02.2021 | – | ₹ 755.76 |
| | b. ESOP Plan 2016: Grant V - 08.11.2021 | ₹767.88 | ₹767.88 |
| | c. ESOP Plan 2016: Grant VI - 17.10.2022 | ₹605.91 | ₹605.91 |
| | d. ESOP Plan 2016: Grant VII - 08.11.2023 | ₹577.58 | – |



Notes to Consolidated Financial Statements (contd.)

Note 48. Share based payment to employees (contd.)

| | Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|---|
| ix. | The price of the underlying share in the market at the time of option Grant: | | |
| | a. ESOP Plan 2016: Grant IV - 10.02.2021 | – | ₹762.15 |
| | b. ESOP Plan 2016: Grant V - 08.11.2021 | ₹774.95 | ₹774.95 |
| | c. ESOP Plan 2016: Grant VI - 17.10.2022 | ₹613.75 | ₹613.75 |
| | d. ESOP Plan 2016: Grant VII - 08.11.2023 | ₹586.25 | – |
| x. | Time to maturity | | |
| | a. ESOP 2016 Plan Grant III vested on 09.11.2020 | – | 0.61 years |
| | b. ESOP 2016 Plan Grant IV vested on 10.02.2022 | 0.87 years | 1.87 years |
| | c. ESOP 2016 Plan Grant V vested on 08.11.2022 | 1.61 years | 2.61 years |
| | d. ESOP 2016 Plan Grant VI vested on 17.10.2023 | 2.55 years | 3 years from the vesting day |
| | e. ESOP 2016 Plan Grant VII (yet to be vested) | 3 years from the vesting day | – |

Expected volatility during the expected term of the ESOP is based on historical volatility of the observed market prices of the Company's publicly traded equity shares during a period equivalent to the expected term of the ESOP.

The fair values of our ESOP are based on the market value of our stock on the date of grant.

(m) The following table summarizes information about Share Options outstanding as at year end:-

| Range of exercise prices per option (₹) | As at March 31, 2024 — No. of options outstanding | Weighted average remaining contractual life | Weighted average exercise price (₹) |
|---|---|---|---|
| 1 | 25,308 | 1.61 years | 1 |
| 1 | 71,568 | 2.55 years | 1 |
| 1 | 1,22,146 | Yet to be vested | 1 |

| Range of exercise prices per option (₹) | As at March 31, 2023 — No. of options outstanding | Weighted average remaining contractual life | Weighted average exercise price (₹) |
|---|---|---|---|
| 1 | 23,021 | 1.87 years | 1 |
| 1 | 44,357 | 2.61 years | 1 |
| 1 | 93,985 | Yet to be vested | 1 |

## Notes to Consolidated Financial Statements (contd.)

## Note 49.

### a. Group as a lessee

The Group has lease contracts for various depots, head office and leasehold lands used in its operations. Leasehold land and building generally have lease terms between 2 and 99 years. The Group has also taken some plant and machinery on lease having a lease term between 5 to 15 years.

The Group also has certain leases with lease terms of 12 months or less. The Group applies the 'short-term lease' recognition exemptions for these leases.

**(i) Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:**

₹ in Crores

| Particulars | Buildings | Leasehold lands | Plant & Machinery | Others | Total |
|---|---|---|---|---|---|
| **As at April 1, 2022** | **334.39** | **79.71** | **4.74** | **3.96** | **422.80** |
| Additions | 168.43 | 7.19 | 1.06 | 3.84 | **180.52** |
| Less: Deletions/Termination | (25.37) | - | - | - | **(25.37)** |
| Less: Depreciation charge | (73.99) | (1.50) | (1.66) | (2.51) | **(79.66)** |
| Translation Difference | (0.08) | - | (0.02) | (0.17) | **(0.27)** |
| **As at March 31, 2023** | **403.38** | **85.40** | **4.12** | **5.12** | **498.02** |
| Additions | 204.12 | 60.43 | 1.04 | 2.44 | **268.03** |
| Less: Deletions/Termination | (12.35) | - | - | - | **(12.35)** |
| Less: Depreciation charge | (86.24) | (1.56) | (1.62) | (3.14) | **(92.56)** |
| Translation Difference | 0.56 | - | 0.21 | 0.41 | **1.18** |
| **As at March 31, 2024** | **509.47** | **144.27** | **3.75** | **4.83** | **662.32** |

Title/Lease deeds of immovable properties are in the name of the Holding Company except those mentioned below:

₹ in Crores

| Particulars | No. of title/ lease deeds | Gross Carrying Amount | | Net Carrying Amount | | Held in the name of | Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director | Property held since which date | Reason for not being held in the name of the company |
|---|---|---|---|---|---|---|---|---|---|
| | | As at 31st March, 2024 | As at 31st March, 2023 | As at 31st March, 2024 | As at 31st March, 2023 | | | | |
| Leasehold land at Panaji, Goa | 1 | 0.35 | 0.35 | 0.26 | 0.26 | Rajdoot Paints Private Limited | No | Oct 1, 1998 | Refer Note (i) below |
| Leasehold land at Sikandrabad, Uttar Pradesh | 1 | 0.27 | 0.27 | 0.13 | 0.13 | Rajdoot Paints Private Limited | No | Oct 1, 1998 | |
| Leasehold land at Chandigarh | 1 | 0.05 | 0.05 | 0.03 | 0.03 | Rajdoot Paints Private Limited | No | Oct 1, 1998 | |
| Leasehold land at Howrah* | 1 | 0.01 | 0.01 | 0.00 | 0.00 | Government of West Bengal | No | Sep 26, 1957 | Refer Note (ii) below |
| Leasehold Land at Odisha | 1 | 60.08 | – | 59.94 | – | Odisha Industrial Infrastructure Development Corporation | No | Nov 04, 2023 | Refer Note (iii) below |

*Refer Note 60



Notes to Consolidated Financial Statements (contd.)

**Note**

(i) Vide order dated October 01, 1998, the Hon'ble High Court of Calcutta had approved the Scheme of Amalgamation of Rajdoot Paints Private Limited with the Company with effect from October 01, 1998. In terms of said order, all the aforesaid leasehold land parcels held by Rajdoot Paints Private Limited was transferred to the Holding Company. Management believes that, vide the approved Scheme of Amalgamation, the rights and obligations under respective lease arrangements were transferred in favour of the Holding Company and no further action is necessary for the purpose.

(ii) Renewal of lease with West Bengal Government in respect of a piece of land comprising about 0.08 acres at Howrah is under process since September 26, 2017.

(iii) The Holding Company has received the allotment in its name and execution of lease deed in respect of 80 acres in Odisha is in process.

**(ii)** Set out below are the carrying amounts of lease liabilities and the movements during the period:

₹ in Crores

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **At amortised cost** | | |
| **Opening Balance** | 421.32 | 345.60 |
| Additions | 263.93 | 175.85 |
| Accretion of interest | 36.19 | 31.10 |
| Deletions/ termination | (15.55) | (28.90) |
| Payments | (159.91) | (100.00) |
| Translation Difference | 1.87 | (2.33) |
| **Closing Balance** | **547.85** | **421.32** |
| **Current** | **105.58** | **86.68** |
| **Non-current** | **442.27** | **334.64** |

The maturity analysis of lease liabilities are disclosed in Note 55.

The effective interest rate for lease liabilities is 7%, with maturity between 2024-2113.

**(iii)** Amount recognised in the Statement of Profit and Loss:

₹ in Crores

| Particulars | Year ended 31, 2024 | Year ended 31, 2023 |
|---|---|---|
| Depreciation expense of right-of-use assets (Refer Note 42) | 92.56 | 79.66 |
| Interest expense on lease liabilities (Refer Note 41) | 36.19 | 31.10 |
| Gain on early termination of leases (Refer Note 36) | (3.20) | (3.65) |
| Expense relating to leases of low-value assets and short-term leases (Refer Note 43) | 15.36 | 12.84 |
| **Total** | **140.91** | **119.95** |

The Group had total cash outflows for leases of ₹159.91crores (March 31, 2023: ₹100.00 crores).

The Group does not face a significant liquidity risk with regards to its lease liabilities as the current assets are sufficient to meet the obligation related to the lease liabilities as and when they fall due.

**(iv) The table below provides details regarding the contractual maturities of lease liabilities as on undiscounted basis:**

₹ in Crores

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Less than one year | 113.04 | 94.12 |
| More than one year but less than five years | 372.36 | 294.40 |
| More than five years | 269.15 | 143.27 |

### b. Group as Lessor

The Group has given Color bank (tinting machines) on operating lease to its dealers. The Group enters into 3-5 years cancellable lease agreements. However the corresponding lease rentals may be receivable for a shorter period or may be waived off/refunded on achievement of certain sales targets by the concerned dealers. The minimum aggregate lease payments to be received in future is considered as ₹ Nil. Accordingly the disclosure of the minimum lease payments receivable at the Balance Sheet date is not made. The amounts received from customers pending to be refunded back are recognised as liabilities. Also refer Note 4.

## Note 50. Commitment and Contingent Liabilities

### a. Commitments

₹ in Crores

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | 147.15 | 135.45 |

### b. Contingent Liabilities

#### (i) Claims against the Group not acknowledged as debts:

₹ in Crores

| Legal claim contingency | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Sales Tax | 16.38 | 29.23 |
| Excise Duty, Service Tax, Customs | 43.97 | 59.69 |
| Goods and Service Tax | 17.11 | 2.58 |
| Income Tax | 16.22 | 22.95 |
| Other matters | 3.72 | 0.26 |
| | **97.40** | **114.71** |

The Group has exposures towards litigation/disputes relating to various matters as set out in the above note. Since the ultimate outcome of these matters are uncertain, the Group has exercised significant judgement to determine the probability of future cash outflow for these matters and has accordingly taken provisions wherever necessary . The management judgement is also supported with legal advice in certain matters as considered appropriate.

#### (ii) Guarantees excluding financial guarantees

₹ in Crores

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Outstanding Bank guarantees | 131.64 | 141.80 |

#### (iii) Corporate guarantees

a) Corporate guarantees issued by the Holding Company to a bank for loan taken by the joint venture.

Total value of guarantee provided by the Holding Company is ₹45 crores (March 31, 2023: ₹45 crores) and the outstanding balance of loan in the books of the joint venture is Nil (March 31, 2023: ₹ Nil crores).

(b) Corporate guarantee issued by Holding Company's step down subsidiary amounting ₹183.54 crores (March 31, 2023: ₹ Nil) on behalf of its joint venture.

#### (iv) Others

The Holding Company continues to provide such support as may be necessary to its joint venture (Berger Nippon Paint Automotive Coatings Private Limited) to enable it to continue with their present scale of operations and meet its financial commitments.





## Note 51. a. Related Party Transactions

### List of Related Parties

### I. Ultimate Holding Company

| Name of related parties | Nature of relationship | Principal Place of business |
|---|---|---|
| U K Paints (India) Private Limited * | Ultimate Holding Company | India |

* The party holds more than 5% of the equity shares in the Holding Company. (Refer Note 21e)

The Principal activity of the entity mentioned above is "Manufacturing Paints and other related product".

### II. Other related parties with whom transactions have taken place during the year:

#### a) Key Management Personnel

| Name of related parties | Nature of relationship with Holding Company |
|---|---|
| Mr Kuldip Singh Dhingra | Director |
| Mr Gurbachan Singh Dhingra | Director |
| Mr Kanwardip Singh Dhingra | Executive director and relative of Mr Gurbachan Singh Dhingra |
| Ms Rishma Kaur | Executive director and relative of Mr Kuldip Singh Dhingra |
| Mr Abhijit Roy | Managing Director & CEO |
| Mr Srijit Dasgupta | Director - Finance & Chief Financial Officer ( 1st April 22 to 30th September 22) |
| Mr Vikash Sarda | Chief Financial Officer (1st October 22 to 4th January 23) |
| Mr Kaushik Ghosh | Chief Financial Officer (From 12th January 23 onwards) |
| Mr Arunito Ganguly | Vice President & Company Secretary |
| Mr Naresh Gujral | Independent Director |
| Mrs Sonu Halan Bhasin | Independent Director |
| Mr Anoop Hoon | Independent Director |
| Mr Gopal Krishna Pillai | Independent Director (From 15th May 23 onwards) |
| Dr Anoop Kumar Mittal | Independent Director |

#### b) Others

| Name of related parties | Nature of relationship |
|---|---|
| Berger Becker Coatings Private Limited | Joint Venture of the Group |
| Berger Nippon Paint Automotive Coatings Private Limited | Joint Venture of the Group |
| Surefire Management Services Limited | Joint Venture of the Group |
| Jenson & Nicholson (Asia) Limited * | Fellow Subsidiary of the Holding Company |
| Berger Paints (Bangladesh) Limited | Fellow Subsidiary of the Holding Company |
| Citland Commercial Credits Limited | Fellow Subsidiary of the Holding Company |
| Wang Investment & Finance Private Limited | Fellow Subsidiary of the Holding Company |
| Kanwar Properties Private Limited | Fellow Subsidiary of the Holding Company |
| Berger Paints Provident Fund (Covered) | Post-employment benefit plan of the Holding Company |

* The party holds more than 5% of the equity shares in the Holding Company. (Refer Note 21e)

## Notes to Consolidated Financial Statements (contd.)

### Note 51. a. Related Party Transactions (contd.)

| Name of related parties | Nature of relationship |
|---|---|
| Berger Paints Officers (Non-Management Category) Superannuation Fund | Post-employment benefit plan of the Holding Company |
| Berger Paints Management Staff Superannuation Fund | Post-employment benefit plan of the Holding Company |
| BAICL Employees Superannuation Fund | Post-employment benefit plan of the Holding Company |
| BAICL Employees Gratuity Fund | Post-employment benefit plan of the Holding Company |
| Seaward Packaging Private Limited | Entity controlled by Key Managerial Personnel of the Holding Company |
| Flex Properties Private Limited | Entity controlled by Key Managerial Personnel of the Holding Company |
| Wazir Estates Private Limited | Entity controlled by Key Managerial Personnel of the Holding Company |
| Bigg Investments & Finance Private Limited | Entity controlled by Key Managerial Personnel of the Holding Company |
| Oakleaf Probuilt LLP | Entity controlled by Key Managerial Personnel of the Holding Company |
| Pasque Probuilt LLP | Entity controlled by Key Managerial Personnel of the Holding Company |
| Shalimar Tar Products Limited | Entity controlled by Key Managerial Personnel of the Holding Company |
| Naldehra Nest LLP | Entity controlled by Key Managerial Personnel of the Holding Company |
| Kfin Technologies Limited | Other Related Party (Till 14th Nov 2023) |
| Countrywide Projects Private Limited | Other Related Party |
| KSD Family Trust | Mr Kuldip Singh Dhingra - Settlor Trustee |
| GBS Dhingra Family Trust | Mr Gurbachan Singh Dhingra - Settlor Trustee |
| Mrs Meeta Dhingra | Spouse of Mr Kuldip Singh Dhingra |
| Mrs Vinu Dhingra | Spouse of Mr Gurbachan Singh Dhingra |
| Mrs Jessima Kumar | Daughter of Mr Kuldip Singh Dhingra |
| Ms Dipti Dhingra | Daughter of Mr Kuldip Singh Dhingra |
| Mrs Sunaina Kohli | Daughter of Mr Gurbachan Singh Dhingra |
| Mrs Anshna Sawhney | Daughter of Mr Gurbachan Singh Dhingra |
| Mr Aditya Narang | Relative of Ms Rishma Kaur |

### Note 51. b. Disclosure in respect of Related Parties pursuant to Ind AS 24 (contd.)

**A. During the year the following transactions were carried out with the related parties in the ordinary course of business**

₹ in Crores

| Transaction | Related Party | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|---|
| Sale of Goods (includes sale of raw materials, packing materials, intermediates, traded goods and stores) | Berger Becker Coatings Private Limited | 10.58 | 22.59 |
| | Berger Nippon Paint Automotive Coatings Private Limited | 37.65 | 36.68 |
| | Berger Paints (Bangladesh) Limited | - | 0.34 |
| | Surefire Management Services Limited | 27.39 | 15.90 |
| | U K Paints (India) Private Limited | 0.37 | 0.24 |



Notes to Consolidated Financial Statements (contd.)

Note 51. b. Disclosure in respect of Related Parties pursuant to Ind AS 24 (contd.)

₹ in Crores

| Transaction | Related Party | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|---|
| Sale of Goods (includes sale of raw materials, packing materials, intermediates, traded goods and stores) | Naldehra Nest LLP | – | 0.03 |
| | Countrywide Projects Private Limited* | 0.00 | – |
| | Mr Kuldip Singh Dhingra | 0.02 | 0.02 |
| | Mr Kanwardip Singh Dhingra * | 0.00 | 0.01 |
| | Ms Rishma Kaur * | 0.00 | 0.01 |
| | Mrs Sunaina Kohli * | – | 0.00 |
| | Mr Aditya Narang* | 0.00 | – |
| | Seaward Packaging Private Limited | 0.05 | 0.27 |
| Royalty Income | Berger Paints (Bangladesh) Limited | 0.08 | 0.12 |
| Shared Services Income | Berger Nippon Paint Automotive Coatings Private Limited | 0.01 | 0.01 |
| Processing Income | Berger Nippon Paint Automotive Coatings Private Limited | 10.02 | 7.96 |
| Rental Income (Warehouse/office) | Berger Nippon Paint Automotive Coatings Private Limited | 0.02 | 0.02 |
| | Shalimar Tar Products Limited | 0.01 | 0.01 |
| | Berger Becker Coatings Private Limited | 0.01 | 0.01 |
| Dividend Receipt | Berger Becker Coatings Private Limited | 2.06 | 3.76 |
| Purchase of Goods (includes purchase of raw materials, packing materials and traded goods) | U K Paints (India) Private Limited | 130.66 | 145.27 |
| | Berger Becker Coatings Private Limited | 0.21 | 0.27 |
| | Seaward Packaging Private Limited | 101.00 | 106.32 |
| | Berger Nippon Paint Automotive Coatings Private Limited | 1.97 | 1.54 |
| Processing Charges | U K Paints (India) Private Limited | 36.58 | 44.38 |
| Rent Expenses | U K Paints (India) Private Limited | 1.97 | 1.88 |
| | Flex Properties Private Limited | – | 0.03 |
| | Kanwar Properties Private Limited | 0.68 | 0.65 |
| | Berger Nippon Paint Automotive Coatings Private Limited | 0.06 | 0.06 |
| | Oakleaf Probuilt LLP | 1.50 | 1.43 |
| | Pasque Probuilt LLP | 0.32 | 0.32 |
| | Mrs Meeta Dhingra | 0.07 | 0.07 |
| | Mrs Vinu Dhingra | 0.07 | 0.07 |
| | Mr Kuldip Singh Dhingra | 0.20 | 0.18 |
| | Mr Gurbachan Singh Dhingra | 0.20 | 0.18 |
| Loan Given to a Joint Venture | Surefire Management Services Limited | 38.98 | 4.09 |
| Rendering of Manpower Services | U K Paints (India) Private Limited | 0.12 | 0.15 |
| | Berger Nippon Paint Automotive Coatings Private Limited | 0.07 | 0.08 |
| | Berger Becker Coatings Private Limited | 0.18 | 0.17 |
| Manpower Service Expenses | U K Paints (India) Private Limited | 0.15 | 0.17 |
| Professional Service Expenses | Kfin Technologies Limited | 0.02 | 0.02 |
| Contribution to Provident Fund | Berger Paints Provident Fund (Covered) | 24.86 | 20.54 |
| Contribution to Gratuity Fund | BAICL Employees Gratuity Fund | 0.14 | 0.08 |

* Refer Note 60.

## Notes to Consolidated Financial Statements (contd.)

### Note 51. b. Disclosure in respect of Related Parties pursuant to Ind AS 24 (contd.)

₹ in Crores

| Transaction | Related Party | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|---|
| Contribution to Superannuation Fund | Berger Paints Officers (Non-Management Category) Superannuation Fund | 0.46 | 0.49 |
| | Berger Paints Management Staff Superannuation Fund | 1.69 | 1.73 |
| | BAICL Employees Superannuation Fund | 0.05 | 0.05 |
| Directors Commission & Fees | Mr Kuldip Singh Dhingra | 0.18 | 0.18 |
| | Mr Gurbachan Singh Dhingra | 0.10 | 0.10 |
| | Mr Naresh Gujral | 0.07 | 0.07 |
| | Mrs Sonu Halan Bhasin | 0.07 | 0.07 |
| | Mr Anoop Hoon | 0.07 | 0.07 |
| | Mr Gopal Krishna Pillai | 0.07 | – |
| | Dr Anoop Kumar Mittal | 0.07 | 0.07 |
| Key Management Personnel Compensation (including post employment benefits and share based payments) | Mr Abhijit Roy | 8.28 | 7.31 |
| | Mr Srijit Dasgupta | – | 1.18 |
| | Mr Vikash Sarda | – | 0.26 |
| | Mr Kaushik Ghosh | 0.96 | 0.17 |
| | Mr Arunito Ganguly | 0.63 | 0.58 |
| | Mr Kanwardip Singh Dhingra | 0.72 | 0.65 |
| | Ms Rishma Kaur | 0.72 | 0.65 |
| Dividend Payment | U K Paints (India) Private Limited | 155.73 | 150.83 |
| | Jenson & Nicholson (Asia) Limited | 45.01 | 43.60 |
| | Citland Commercial Credits Limited | 9.89 | 9.58 |
| | Wang Investment & Finance Private Limited | 9.60 | 9.30 |
| | Bigg Investment & Finance Private Limited | 2.54 | 2.47 |
| | KSD Family Trust | 2.66 | 2.57 |
| | GBS Dhingra Family Trust | 1.89 | 1.82 |
| | Mr Kuldip Singh Dhingra | 1.76 | 1.71 |
| | Mr Gurbachan Singh Dhingra | 1.42 | 1.38 |
| | Mrs Vinu Dhingra | 1.25 | 1.21 |
| | Mrs Meeta Dhingra | 0.32 | 0.31 |
| | Mr Kanwardip Singh Dhingra | 0.22 | 0.22 |
| | Mrs Anshna Sawhney | 0.19 | 0.19 |
| | Mrs Jessima Kumar | 0.19 | 0.19 |
| | Ms Rishma Kaur | 0.19 | 0.19 |
| | Mrs Sunaina Kohli | 0.19 | 0.19 |
| | Ms Dipti Dhingra | 0.04 | 0.04 |
| | Mr Abhijit Roy | 0.02 | 0.02 |
| | Mr Naresh Gujral | 0.01 | 0.01 |
| | Mr Srijit Dasgupta | – | 0.03 |
| | Mr Kaushik Ghosh | 0.01 | – |



Notes to Consolidated Financial Statements (contd.)

Note 51. b. Disclosure in respect of Related Parties pursuant to Ind AS 24 (contd.)

**B. Balances outstanding at the year end (including commitments):**

₹ in Crores

| Outstanding | Related Party | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| Payable | U K Paints (India) Private Limited | 31.04 | 40.84 |
| | Seaward Packaging Private Limited | 24.34 | 23.13 |
| | Wazir Estates Private Limited * | 0.00 | 0.00 |
| | Kanwar Properties Private Limited * | 0.00 | 0.00 |
| | Kfin Technologies Limited | – | 0.01 |
| | Countrywide Projects Private Limited * | 0.00 | 0.00 |
| | Mr Abhijit Roy | 1.68 | 1.19 |
| | Mr Kaushik Ghosh | 0.02 | 0.02 |
| | Mr Arunito Ganguly | 0.02 | 0.02 |
| | Mr Kanwardip Singh Dhingra * | 0.02 | 0.00 |
| | Ms Rishma Kaur* | 0.01 | 0.00 |
| | Mr Naresh Gujral | 0.07 | 0.07 |
| | Mr Anoop Hoon | 0.07 | 0.07 |
| | Mrs Sonu Halan Bhasin | 0.07 | 0.07 |
| | Mr Gopal Krishna Pillai | 0.07 | - |
| | Dr Anoop Kumar Mittal | 0.07 | 0.07 |
| | Mrs Meeta Dhingra | – | – |
| | Mrs Vinu Dhingra | – | – |
| | Mr Aditya Narang* | 0.00 | - |
| | Mr Kuldip Singh Dhingra | 0.18 | 0.18 |
| | Mr Gurbachan Singh Dhingra | 0.10 | 0.10 |
| Receivable | Berger Becker Coatings Private Limited | 7.16 | 3.14 |
| | Berger Nippon Paint Automotive Coatings Private Limited | 21.49 | 24.17 |
| | Surefire Management Services Limited | 16.90 | 7.61 |
| | Berger Paints (Bangladesh) Limited | 0.31 | 0.27 |
| | Shalimar Tar Products Limited | 0.01 | 0.01 |
| | Naldehra Nest LLP * | – | 0.00 |
| | Mrs Sunaina Kohli * | – | 0.00 |
| Loan given to a Joint Venture | Surefire Management Services Limited | 43.07 | 4.09 |
| Security Deposit Receivable | U K Paints (India) Private Limited | 0.22 | 0.22 |
| | Kanwar Properties Private Limited | 0.08 | 0.08 |
| | Oakleaf Probuilt LLP | 0.15 | 0.15 |
| | Mr Kuldip Singh Dhingra | 0.01 | 0.01 |
| | Mr Gurbachan Singh Dhingra | 0.01 | 0.01 |

* Refer Note 60.

## Notes to Consolidated Financial Statements (contd.)

### Note 51. b. Disclosure in respect of Related Parties pursuant to Ind AS 24 (contd.)

**C. Details of remuneration to Key Managerial Personnel are given below**

₹ in Crores

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| - Short-term employee benefits | 10.14 | 9.64 |
| - Post employment benefits | 1.04 | 0.98 |
| - Share based payment | 0.13 | 0.18 |
| | **11.31** | **10.80** |

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel. No share options have been granted to the non-executive members of the Board of Directors under ESOP plan. Refer to Note 48 for further details of ESOP plan.

**D. Disclosure as per Section 186 of the Companies Act, 2013**

The details of guarantee given under Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 has been disclosed in Note 50(b)(iii).

**Notes:**

Terms and conditions of transactions with related parties:

Transactions relating to dividend were on the same terms and conditions that applied to other shareholders. The sales to and purchases from related parties are made in the ordinary course of business and at arm's length prices. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. No provisions are held against receivables from related parties.

### Note 52. Segment Information

The Group is engaged in the business of manufacturing and selling paints. Based on the nature of products, production process, regulatory environment, customers and distribution methods there are no reportable segment(s) other than "Paints".

The Business Process and Risk Management Committee of the Holding Company, approved by the Board of Directors and Audit Committee performs the function of allotment of resources and assessment of performance of the Group. Considering the level of activities performed, frequency of their meetings and level of finality of their decisions, the Group has identified that Chief Operating Decision Maker function is being performed by the Business Process and Risk Management Committee. The financial information presented to the Business Process and Risk Management Committee in the context of results and for the purposes of approving the annual operating plan is on a consolidated basis for various products of the Group. As the Group's business activity falls within a single business segment viz., 'Paints' and the sales substantially being in the domestic market, the consolidated financial statement are reflective of the information required by Ind AS 108 "Operating Segments".



Notes to Consolidated Financial Statements (contd.)

### Note 53. a. Disclosure of additional information pertaining to the Holding Company, Subsidiaries and Joint Ventures

| Entity Name | As at March 31, 2024 | | Year ended March 31, 2024 | | Year ended March 31, 2024 | | Year ended March 31, 2024 | |
|---|---|---|---|---|---|---|---|---|
| | | Net assets | Share of Profit/(Loss) | | OCI | | TCI | |
| | % of consolidated assets | Amount in Crores (₹) | % of consolidated profit and loss | Amount in Crores (₹) | % of consolidated OCI | Amount in Crores (₹) | % of consolidated TCI | Amount in Crores (₹) |
| **Holding** | | | | | | | | |
| Berger Paints India Limited | 93.86 | 5,058.68 | 86.58 | 1,012.81 | 0.63 | 0.14 | 84.97 | 1,012.95 |
| **Indian Subsidiaries** | | | | | | | | |
| 1) Beepee Coatings Private Limited | 0.17 | 9.07 | (0.24) | (2.78) | 0.04 | 0.01 | (0.23) | (2.77) |
| 2) SBL Specialty Coatings Private Limited | 2.27 | 122.36 | 2.81 | 32.85 | (0.58) | (0.13) | 2.74 | 32.72 |
| 3) Berger Rock Paints Private Limited | (0.08) | (4.37) | 0.15 | 1.75 | (0.04) | (0.01) | 0.15 | 1.74 |
| 4) Berger Hesse Wood Coatings Private Limted * | (0.02) | (1.02) | (0.00) | (0.01) | (0.09) | (0.02) | – | (0.03) |
| 5) STP Limited | 2.94 | 158.59 | 2.34 | 27.42 | (0.58) | (0.13) | 2.29 | 27.29 |
| **Foreign Subsidiaries** | | | | | | | | |
| 1) Berger Jenson & Nicholson (Nepal) Private Limited | 4.47 | 240.69 | 2.86 | 33.42 | – | – | 2.80 | 33.42 |
| 2) Berger Paints (Cyprus) Limited consolidated with Berger Paints Overseas Limited | (2.07) | (111.53) | 0.01 | 0.12 | – | – | 0.01 | 0.12 |
| 3) Lusako Trading Limited consolidated with Bolix S.A. & Group ** | (1.85) | (99.77) | 1.99 | 23.22 | – | – | 1.95 | 23.22 |
| **Indian Joint Ventures** | | | | | | | | |
| 1) Berger Becker Coatings Private Limited | – | – | 2.38 | 27.88 | 0.10 | 0.02 | 2.34 | 27.90 |
| 2) Berger Nippon Paints Automotive Coatings Private Limited | – | – | 1.28 | 14.96 | 0.15 | 0.03 | 1.26 | 14.99 |
| **Foreign Joint Ventures** | | | | | | | | |
| 3) Surefire Management Services Limited # | – | – | (0.16) | (1.82) | – | – | (0.16) | (1.82) |
| Noncontrolling Interest * | 0.19 | 10.20 | – | – | (0.09) | (0.02) | 0.00 | (0.02) |
| Foreign Currency Translation Reserve | 0.12 | 6.27 | – | – | 100.46 | 22.40 | 1.88 | 22.40 |
| | **100.00** | **5,389.17** | **100.00** | **1,169.82** | **100.00** | **22.29** | **100.00** | **1,192.11** |

* Refer Note 60

** Group includes Build Trade sp. z.o.o., Bolix UKRAINE sp. z.o.o., Soltherm External Insulations Limited and Soltherm Isolations Thermique Exterieure SAS.

# On 9 January 2018, purchase of shares in Surefire Management Services Limited was finalised. Bolix holds 75% of shares in Surefire Management Services Limited. However, it shares control of that company as it holds the right to appoint only 2 out of 4 executives. Surefire Management Services Limited is reported using the equity method.

Note: The above figures are after eliminating intra group transactions and intra group balances as on March 31, 2024.

## Notes to Consolidated Financial Statements (contd.)

### Note 53. b. Disclosure of additional information pertaining to the Holding Company, Subsidiaries and Joint Ventures

| Entity Name | As at March 31, 2023 | | Year ended March 31, 2023 | | Year ended March 31, 2023 | | Year ended March 31, 2023 | |
|---|---|---|---|---|---|---|---|---|
| | | Net assets | Share of Profit/(Loss) | | | OCI | | TCI |
| | % of consolidated assets | Amount in Crores (₹) | % of consolidated profit and loss | Amount in Crores (₹) | % of consolidated OCI | Amount in Crores (₹) | % of consolidated TCI | Amount in Crores (₹) |
| **Holding** | | | | | | | | |
| Berger Paints India Limited | 96.18 | 4,330.42 | 92.05 | 792.00 | (12.62) | (0.55) | 91.52 | 791.45 |
| **Indian Subsidiaries** | | | | | | | | |
| 1) Beepee Coatings Private Limited | 0.26 | 11.84 | (0.13) | (1.13) | 1.38 | 0.06 | (0.12) | (1.07) |
| 2) SBL Specialty Coatings Private Limited | 1.99 | 89.63 | 2.53 | 21.74 | – | – | 2.51 | 21.74 |
| 3) Berger Rock Paints Private Limited | (0.14) | (6.13) | (0.02) | (0.18) | 0.23 | 0.01 | (0.02) | (0.17) |
| 4) Berger Hesse Wood Coatings Private Limited | (0.02) | (0.99) | 0.07 | 0.58 | (0.46) | (0.02) | 0.07 | 0.56 |
| 5) STP Limited | 2.92 | 131.33 | 2.04 | 17.52 | (2.75) | (0.12) | 2.01 | 17.40 |
| **Foreign Subsidiaries** | | | | | | | | |
| 1) Berger Jenson & Nicholson (Nepal) Private Limited | 4.61 | 207.33 | 4.70 | 40.43 | – | – | 4.68 | 40.43 |
| 2) Berger Paints (Cyprus) Limited consolidated with Berger Paints Overseas Limited | (2.35) | (105.83) | (0.34) | (2.79) | – | – | (0.32) | (2.79) |
| 3 Lusako Trading Limited consolidated with Bolix S.A. & Group ** | (3.27) | (147.35) | 0.63 | 5.39 | – | – | 0.62 | 5.39 |
| **Indian Joint Ventures** | | | | | | | | |
| 1) Berger Becker Coatings Private Limited | – | – | (2.12) | (18.25) | (0.69) | (0.03) | (2.11) | (18.28) |
| 2) Berger Nippon Paints Automotive Coatings Private Limited | – | – | 0.46 | 3.94 | 1.15 | 0.05 | 0.46 | 3.99 |
| **Foreign Joint Ventures** | | | | | | | | |
| 3) Surefire Management Services Limited # | – | – | 0.13 | 1.15 | – | – | 0.13 | 1.15 |
| Non-controlling Interest * | 0.18 | 8.14 | – | – | (0.23) | (0.01) | (0.00) | (0.01) |
| Foreign Currency Translation Reserve | (0.36) | (16.13) | – | – | 113.99 | 4.97 | 0.57 | 4.97 |
| | **100.00** | **4,502.26** | **100.00** | **860.40** | **100.00** | **4.36** | **100.00** | **864.76** |

***** Refer Note 60

** Group includes Build-Trade sp. z.o.o., Bolix UKRAINE sp. z.o.o. , Soltherm External Insulations Limited and Soltherm Isolations Thermique Exterieure SAS.

# On 9 January 2018, purchase of shares in Surefire Management Services Ltd. was finalised. Bolix holds 75% of shares in Surefire Management Services Limited. However, it shares control of that company as it holds the right to appoint only 2 out of 4 executives. Surefire Management Services Limited is reported using the equity method.

Note: The above figures are after eliminating intra group transactions and intra group balances as on March 31, 2023.



Notes to Consolidated Financial Statements (contd.)

### Note 54. Fair Value Hierarchy

The table shown below analyses financial instruments carried at fair value. The different levels have been defined below:-

Level 1: Quoted Prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

**(a) Financial assets and liabilities measured at fair value through profit and loss at March 31, 2024**

₹ in Crores

| Particulars | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **Financial Assets** | | | | |
| Investment in Mutual Funds | 85.91 | – | – | 85.91 |
| Investment in unquoted equity instruments* | – | – | 0.00 | 0.00 |

**Financial assets and liabilities measured at fair value through profit and loss at March 31, 2023**

₹ in Crores

| Particulars | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **Financial Assets** | | | | |
| Investment in Mutual Funds | 52.96 | – | – | 52.96 |
| Investment in unquoted equity instruments | – | – | – | – |

* Refer Notes - 8b & 60.

**(b) Financial instruments at amortized cost**

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

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

**(d)** In determining fair value measurement, the impact of potential climate-related matters, including legislation, which may affect the fair value measurement of assets and liabilities in the consolidated financial statements, as applicable, has been considered. These risks in respect of climate-related matters are included as key assumptions where they materially impact the measure of recoverable amount. These assumptions have been included in the cash-flow forecasts in assessing value-in-use amounts. At present, the impact of climate-related matters is not material to the Group's financial statements.

### Note 55. Financial risk management objectives and policies

The Group's principal financial liabilities, other than derivatives, comprise borrowings and trade payables. The main purpose of these financial liabilities is to finance the Group's working capital requirements. The Group has various financial assets such as trade receivables, loans, investments, short-term deposits and cash & cash equivalents, which arise directly from its operations. The Group may enter into derivative transactions by way of forward exchange contracts to hedge its payables.

## Note 55. Financial risk management objectives and policies (contd.)

### Risk Management Framework

The Group is exposed to market risk, credit risk and liquidity risk. The Holding Company's Board of Directors oversees the management of these risks. The Holding Company's Board of Directors is supported by the Business Process and Risk Management Committee (BPRMC) that advises on financial risks and the appropriate financial risk governance framework for the Group. The BPRMC provides assurance to Holding Company's Board of Directors that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. All derivative activities for risk management purposes are carried out by personnel that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Holding Company's Board of Directors has taken all necessary actions to mitigate the risks identified on the basis of the information and situation present. The Holding Company's Board of Directors reviews & agrees policies for managing each of these risks, which are summarised below:

### i) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market factors. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk, liquidity risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments and financial derivative.

The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant at March 31, 2024.

The analysis excludes the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations.

The following assumptions have been made in calculating the sensitivity analysis:

➤ The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2024 and March 31, 2023.

➤ The sensitivity of equity is calculated as at March 31, 2024 for the effects of the assumed changes of the underlying risk.

### ii) Interest rate risk

The Group has incurred short term debt to finance its working capital and long term debt which expose it to interest rate risk. Borrowings issued at variable rates expose the Group to interest rate risk. Borrowing issued at fixed rates expose the Group to fair value interest rate risk. The Group's interest rate risk management policy includes achieving the lowest possible cost of debt financing, while managing volatility of interest rates, applying a prudent mix of fixed and floating debt through evaluation of various bank loans and money market instruments.

Some of the Group's borrowings are index linked, that is their cost is linked to changes in the Warsaw inter-bank offered rate (WIBOR), London Inter bank offered rate (LIBOR) and Sterling Overnight Index Average (SONIA).

Although the Group has variable rate interest bearing liabilities at March 31, 2024 and March 31,2023, there would not be any material impact on pretax profit and pre tax equity of the Group on account of any anticipated fluctuations in interest.





### iii) Foreign currency risk

The Group has a policy wherein it can enter into foreign exchange forward contracts to manage risk of foreign exchange fluctuations. These contracts are not designated in hedge relationships and are measured at fair value through profit or loss. Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in exchange rates of any currency. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities by way of direct imports or financing of imports through foreign currency instruments.

There are no outstanding derivative contract as at March 31, 2024 and March 31, 2023.

### iv) Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD/Euro/GBP/JPY exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities . The Group's exposure to foreign currency changes for all other currencies is not material.

| Year ended | Currency | Change in USD/ EURO/GBP/JPY rate(%) | Effect on profit before tax (₹ in Crores) | Effect on pre-tax equity (₹ in Crores) |
|---|---|---|---|---|
| **March 31, 2024** | USD | 5% | (7.71) | (7.71) |
| | USD | -5% | 7.71 | 7.71 |
| | EURO | 5% | (0.27) | (0.27) |
| | EURO | -5% | 0.27 | 0.27 |
| | GBP | 5% | 15.27 | 15.27 |
| | GBP | -5% | (15.27) | (15.27) |
| | JPY | 5% | (0.01) | (0.01) |
| | JPY | -5% | 0.01 | 0.01 |
| **March 31, 2023** | USD | 5% | (7.92) | (7.92) |
| | USD | -5% | 7.92 | 7.92 |
| | EURO | 5% | (2.93) | (2.93) |
| | EURO | -5% | 2.93 | 2.93 |
| | GBP | 5% | 1.98 | 1.98 |
| | GBP | -5% | (1.98) | (1.98) |

### v) Commodity price risk

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

### vi) Equity price risk

The Group does not have any investments in listed securities or in Equity Mutual Funds and thereby is not exposed to any Equity price risk.

### vii) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, and other financial instruments, as applicable.

## Notes to Consolidated Financial Statements (contd.)

The concentration of Credit Risk is limited as the customer base is large. There is no customer representing more than 10% of the total balance of trade receivable. As a practical expedient, the Group computes credit loss allowances based on a provision matrix. The provision matrix is prepared based on historically observed default rates over expected life of trade receivable and is adjusted for forward looking estimates. The Group has also assessed the performance and recoverability of trade receivables. The Group believes that the current value of trade receivables reflects the fair value/ recoverable values.

₹ in Crores

| Movement in expected credit loss allowance on trade receivable | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Balance at the beginning of the year | 44.58 | 30.17 |
| Loss allowance measured at lifetime expected credit losses (net of bad debts) | 12.83 | 14.41 |
| **Balance at the end of the year** | **57.41** | **44.58** |

**Trade receivables and contract assets if any**

Customer credit risk is managed by the management subject to the Group's established policy, procedures and control relating to customer credit risk management. Individual credit limits are defined in accordance with credit quality of customers, as assessed by the management. Outstanding customer receivables are regularly monitored and corrective actions are taken, as required.

**Financial instruments and cash deposits**

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

**viii) Liquidity risk**

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

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, cash credit facilities and buyers' credit facilities. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding and debt.

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

₹ in Crores

| Particulars | On demand | <1 year | 1 to 5 years | > 5 years | Total |
|---|---|---|---|---|---|
| **As at March 31, 2024** | | | | | |
| Financial Liabilities | | | | | |
| Borrowings | 196.77 | 2.67 | 6.00 | – | 205.44 |
| Lease liabilities | – | 113.04 | 372.36 | 269.15 | 754.55 |
| Other financial liabilities # | 4.35 | 153.05 | 72.35 | – | 229.75 |
| Trade payables | 8.79 | 1,670.42 | – | – | 1,679.21 |
| | **209.91** | **1,939.18** | **450.71** | **269.15** | **2,868.95** |

For maturity profile of lease liabilities, refer Note 49(iv)

# Includes contractual interest payment based on interest rate prevailing at the end of the reporting period amounting to ₹6.72 Crores and ₹9.13 Crores as at March 31, 2024 and March 31, 2023 respectively.



## Notes to Consolidated Financial Statements (contd.)

## Note 55. Financial risk management objectives and policies (contd.)

₹ in Crores

| Particulars | On demand | <1 year | 1 to 5 years | > 5 years | Total |
|---|---|---|---|---|---|
| **As at March 31, 2023** | | | | | |
| Financial Liabilities | | | | | |
| Borrowings | 757.49 | 2.39 | 7.77 | – | 767.65 |
| Lease liabilities | – | 94.12 | 294.40 | 143.27 | 531.79 |
| Other financial liabilities # | 4.71 | 157.30 | 76.10 | – | 238.11 |
| Trade payables | 7.90 | 1,757.79 | – | – | 1,765.69 |
| | **770.10** | **2,011.60** | **378.27** | **143.27** | **3,303.24** |

For maturity profile of lease liabilities, refer Note 49(iv).

# Includes contractual interest payment based on interest rate prevailing at the end of the reporting period amounting to ₹6.72 Crores and ₹9.13 Crores as at March 31, 2024 and March 31, 2023 respectively.

## Note 56. Capital management

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Holding Company. The primary objective of the Holding Company's capital management is to maximise the shareholder value.

The Group avails short term borrowings to bridge its working capital gap and finances its capital expenditure through long term borrowings and internal generation of funds. The group has a generally low debt equity ratio.

₹ in Crores

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Borrowings (notes 23 & 28) | 205.44 | 767.65 |
| Lease liabilities (note 49) | 547.85 | 421.32 |
| Less: cash and cash equivalents (note 16) | (240.26) | (116.17) |
| **Net debt (A)** | **513.03** | **1,072.80** |
| | | |
| Total capital (B) | 5,378.97 | 4,494.12 |
| **Capital and net debt (C=A+B)** | **5,892.00** | **5,566.92** |
| Gearing ratio (A/C) | 9% | 19% |

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements, if any. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2024 and March 31, 2023.

## Notes to Consolidated Financial Statements (contd.)

### Note 57. Additional regulatory information required by Schedule III to the Companies Act, 2013

**(i)** The Holding Company and its Indian Subsidiaries and Indian joint ventures do not have any benami property held in its name. No proceedings have been initiated on or are pending against the Holding Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the Rules made thereunder.

**(ii)** The Holding Company and its Indian Subsidiaries and Indian joint ventures have not been declared wilful defaulter by any bank or financial institution or other lender or government or any government authority.

**(iii)** There is no income surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961 (such as search or survey), that has not been recorded in the books of account.

**(iv)** The Group has not traded or invested in crypto currency or virtual currency during the year.

**(v)** The Group does not have any charges or satisfaction of charges which is yet to be registered with Registrar of Companies beyond the statutory period.

**(vi)** Utilisation of borrowed funds and share premium:

The Parent and Indian Subsidiaries have not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent Company (Ultimate Beneficiaries) or

(b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Parent and Indian Subsidiaries have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries

**(vii)** The Holding Company and its Indian Subsidiaries do not have any transactions with struck off companies.

**(viii)** The Holding Company and its Indian Subsidiaries have complied with the requirement with respect to number of layers as prescribed under section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on Number of Layers) Rules, 2017.

### Note 58.

In the previous year, there was a fire in the factory of Berger Becker Coatings Private Limited in Goa, a joint venture of the Group. The Group's share of financial impact of the loss due to fire amounting to ₹25.35 crores was duly recognised in the previous year, following principles of prudent accounting. Insurance claim against the same has been received in current quarter and Group's share of corresponding income amounting to ₹22.53 crores has been duly recognised in the current year ended March 31, 2024.



Notes to Consolidated Financial Statements (contd.)

### Note 59.

The Holding Company, subsidiaries and joint ventures which are companies incorporated in India and whose financial statements have been audited under the Act have complied with the requirements of rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 except for the following:

a) In respect of Holding company, audit trail feature is not enabled for direct changes to data in the application and underlying database when using certain access rights and also for certain changes made using privileged/ administrative access rights.

b) In respect of software used by the Holding Company to maintain payroll records and operated by a third party service provider, in absence of service organisation controls report, management of the Holding Company is unable to determine whether audit trail feature of the underlying database was enabled/operated throughout the year or tampered with.

c) In respect of one subsidiary, audit trail feature is not enabled for changes to data in the application and underlying SQL database.

d) In respect of one subsidiary, audit trail feature is not enabled for changes to data in the underlying accounting software.

e) In respect of one subsidiary, audit trail feature is not maintained at the database level.

### Note 60.

All figures are in Rupees in Crores unless otherwise stated. Figures marked with (*) are below the rounding off norm adopted by the Group.

### Note 61.

There were no significant adjusting events after end of the reporting period which require any adjustment or disclosure in the consolidated financial statements subsequent to the reporting period other than the events disclosed in the relevant notes.

As per our report of even date
For **S.R. BATLIBOI & CO. LLP**
Chartered Accountants
Firm Registration Number 301003E/E300005
per **VISHAL SHARMA**
Partner
Membership Number: 096766

Place: New Delhi
Dated: May 15, 2024

For and on behalf of
**Board of Directors of Berger Paints India Limited**

**KULDIP SINGH DHINGRA**
Chairman
(DIN: 00048406)

**GURBACHAN SINGH DHINGRA**
Vice-Chairman
(DIN: 00048465)

**ABHIJIT ROY**
Managing Director & CEO
(DIN: 03439064)

**KAUSHIK GHOSH**
Vice President & CFO
(ACA: 059971)

**ARUNITO GANGULY**
Vice President & Company Secretary
(FCS: 9285)

Place: Kolkata
Dated: May 15, 2024

# Financial Summary of Berger Paints India Limited

## (Consolidated) – Five Years at A Glance

₹ in Crores

| | 2023-24 | 2022-23 | 2021-22 | 2020-21 | 2019-20 |
|---|---|---|---|---|---|
| Revenue from Operations | 11,198.92 | 10,567.84 | 8,761.78 | 6,817.59 | 6,365.82 |
| % Growth | 5.97 | 20.61 | 28.52 | 7.10 | 5.01 |
| Other Income | 63.68 | 51.57 | 64.59 | 51.49 | 68.52 |
| Materials Consumed | 6,646.00 | 6,730.52 | 5,429.07 | 3,868.56 | 3,725.81 |
| Employee Benefits Expense | 713.03 | 609.19 | 543.12 | 485.14 | 452.50 |
| Other Expenses | 1,978.57 | 1,740.93 | 1,458.52 | 1,275.91 | 1,126.52 |
| EBITDA | 1,925.00 | 1,538.77 | 1,395.66 | 1,239.47 | 1,129.51 |
| % to Net Revenue | 17.19 | 14.56 | 15.93 | 18.18 | 17.74 |
| Depreciation / Amortisation | 330.88 | 264.03 | 226.51 | 211.14 | 191.01 |
| Finance Cost | 78.25 | 99.23 | 50.72 | 44.10 | 47.04 |
| Profit Before Tax & Exceptional Item (before considering JV profit/loss) | 1,515.87 | 1,175.51 | 1,118.43 | 984.23 | 891.46 |
| Share in Profit of Joint Ventures | 41.02 | (13.17) | 3.86 | (5.61) | (8.30) |
| Profit Before exceptional Items and tax | 1,556.89 | 1,162.34 | 1,122.29 | 978.62 | 883.16 |
| Exceptional Item | - | - | - | - | - |
| Profit Before Tax | 1,556.89 | 1,162.34 | 1,122.29 | 978.62 | 883.16 |
| Tax Expense | 387.07 | 301.94 | 289.34 | 258.90 | 227.06 |
| Profit After Tax | 1,169.82 | 860.40 | 832.95 | 719.72 | 656.10 |
| Return On Net Worth ( % ) | 21.71 | 19.11 | 21.17 | 21.27 | 24.60 |
| Shareholders' Funds : | | | | | |
| Share Capital | 116.58 | 97.14 | 97.13 | 97.13 | 97.12 |
| Reserves and Surplus | 5,262.39 | 4,396.98 | 3,829.86 | 3,279.74 | 2,563.01 |
| Non-controlling interest | 10.20 | 8.14 | 7.17 | 7.06 | 7.11 |
| **Total** | **5,389.17** | **4,502.26** | **3,934.16** | **3,383.93** | **2,667.24** |
| Other current and non-current liabilities | 2,979.49 | 3,464.91 | 3,278.50 | 2,537.12 | 2,237.77 |
| **Equity And Liabilities** | **8,368.66** | **7,967.17** | **7,212.66** | **5,921.05** | **4,905.01** |
| Fixed Assets (includes Property,Plant & Equipment, CWIP, Intangible assets & Right-of-use assets) | 3,688.67 | 3,442.11 | 2,792.32 | 2,150.97 | 2,094.06 |
| Investments (Current and Investments in Joint Venture) | 255.07 | 183.11 | 234.33 | 355.67 | 315.17 |
| Other current and non-current assets | 4,424.92 | 4,341.95 | 4,186.01 | 3,414.41 | 2,495.78 |
| **Assets** | **8,368.66** | **7,967.17** | **7,212.66** | **5,921.05** | **4,905.01** |
| Cash Earnings Per Share (₹) | 12.87 | 9.65 | 10.91* | 9.58* | 8.72* |
| Earnings Per Share - Basic (₹) | 10.02 | 7.37 | 8.58* | 7.41* | 6.76* |
| Earnings Per Share - Diluted (₹) | 10.02 | 7.37 | 8.57* | 7.41* | 6.75* |
| Book Value Per Share (₹) | 46.22 | 38.62 | 40.50* | 34.84* | 27.46* |
| Wt. Avg. No. of Shares | 1,16,58,68,269 | 1,16,57,67,126 | 97,14,80,501 | 97,13,86,627 | 97,13,05,114 |
| Cash Profit (₹) | 1,500.70 | 1,124.43 | 1,059.46 | 930.86 | 847.11 |

* On September 25, 2023, the Holding Company had allotted 19,42,84,497 bonus shares of Rupee one each (fully paid up) in the proportion of 1 bonus shares for every 5 fully paid up equity shares. However, impact of the bonus shares have not been considered in adjusting Cash earnings per share, Earnings per share (Basic & Diluted) and Book value per share for the previous financial years 2019-20, 2020-21 and 2021-22. Hence the numbers are not comparable with previous years.



# Berger Paints India Limited

## Sales Depots & Offices

### East – 1

**Durgapur**
JP Avenue, Sagarbhanga
Durgapur – 713211
Phone : 0343- 6611600/601/602/603/604

**Dankuni****
Global Logi Infra, Old Delhi Road
Pandit Satghora, Serampore, Dankuni
Dakshin Rajyadharpur, Hooghly – 712 203

**Kolkata – 1**
6C, Rameshwar Shaw Road
Kolkata – 700 014
Phone: 033 2284 8120/2289 7395/7762
Fax: 033 2289 7084

**Kolkata – 2**
Godown No. 4A, 4B, 5A & 5C
C/o. Central Warehousing Corporation
1B, Kishore Mohan Banerjee Road
Panihati, Kolkata – 700 114
Phone: 033 6500 9700 to 9723

**Kolkata – 2 Office**
Office Block, 1st floor, Administrative Building
1B, Kishore Mohan Banerjee Road, Panihati
Kolkata - 700 114

**Kolkata – 4**
Apeejay Industries Limited Complex
47, Hide Road, P.S. Taratolla
Kolkata – 700 088
Phone: 033 6500 1693/1352/1665/1433

**Kolkata – 5 & 6**
C/o Shriram Warehousing Pvt. Ltd.
NH6, Bombay Road, Chamrail
Liluah, Howrah – 711 114
Phone: 033 6499 3292/85/84

**Barasat++**
Plot No.LR-00249, Taki Road
Pirgacha, P.S. Duttapukur, P.O.: Badu
North 24 Parganas, Barasat, Kolkata – 700 124
Phone: 7003961575

**Bantala**
Plot No.1463/267 & 247, J.L. No.32
Mouza – Karaidanga, P.O. Bhojerhat
P.S. Kolkata Leather Complex
Nearby Leather Complex Gate No.03
South 24 Parganas, West Bengal – 743 502
Phone: 98304 86362/9330076748

**Siliguri**
Near Ramakrishna Ashram, Sahudangi
Siliguri, Dist: Jalpaiguri – 735 135
Phone: 76040 23723

**Siliguri Office**
C/o: Sona Wheels (P) Ltd, 4th Mile
Sevoke Road, Behind State Bank of India
Salugara Branch, P.S. Bhaktinagar
Siliguri – 734 008
Phone: 92333 33455/76040 23727

**Malda**
Bypass Road, Mouza - Nityanandapur &
Madanpur Kismat, JL No.112 - 130
Khatian No. LR-1596, 228, 752
LR Dag No.346, 346/358, 23/391, 347, 348,
349, 350, 478, 479, 23/391, PS Malda
Dist.: Malda – 732 142, West Bengal
Under Sahapur Gram Panchayat

**Midnapore**
180, Bhandari Building, NH6
Rupnarayanpur, Jakpur
West Medinipur – 721 301

**Burdwan**
3, Alamganj Road, Mouza - Alamganj
J L No.31, LR Plot No.697 & 698, Burdwan
Phone: 9233313080

**Agartala**
Khayerpur to Amtali, Near By-pass Road
Uttar Champamura, Opp. Iswar Chandra Colony
P.O. Old Agartala, P.S. Bodhjungnagar
Dist. West Tripura – 799 008 (Khatian No.281
R/S Plot No. 7237, 7238 & 7243), Agartala
Phone : 6909366918

**Guwahati – 1**
Honuram Boro Path, Kachari Basti
Dispur, Guwahati – 781 005
Phone: 0361 234 8381/3026/28

**Guwahati – 2**
A. K. Dev Road, Opposite Bethany High School
Behind Gorchuk Police Station
Guwahati – 781 035
Phone: 0361 227 6289/6288/213 3467/3524
(920 708 1456)

**Guwahati ++**
C/o: Vishal Estate, P.O. Gauripur
Mouza Silasindurighopa, Amingaon
Kamrup (Rural) – 781 031, Assam
Landmark - Near Bramputra Industrial Estate
Phone: 9207081456

**Jorhat**
Dag No. 2143/2565 of P P No.335/652
Charangia Gaon, Porbatia Mouza
Jorhat West Circle, Dist.: Jorhat, Assam

**Tezpur**
Near All India Radio Center
Adjacent to Chand Ford Showroom
Village Gotlong, P.O.: Kaliabhomora,
Tezpur – 784 024, Dist: Sonitpur, Assam

**Silchar##**
Kathal Road, Silchar, Assam

**Shillong**
Near Chief Engineer Office (MES)
Lower Nongrim Hills East Khasi Hills
Dist.: Shillong – 793 003, Meghalaya
Phone: 0364 253 4901/4903

### East – 2

**Patna**
C/o: Trilokeshwar Estate Pvt Ltd
National Highway – 31
Near Patna Bakhtiyarpur Didarganj Toll Plaza
Beside Tata Motors, Mauza – Simli Murarpur,
Khata No. 396, Khasra No.511
P.S. Malsalami, Patna, Bihar – 800 009
Phone : 7632999828, 7632999827,
9264190892

**Patna (Office only)**
Nirmala Complex, 1st floor, Plot No.693 (P)
Opp. Amit Hotel, Vishnupuri
New Bye Pass Road, Anisabad
Patna – 800 002
Phone: 97714 89400

**Dhanbad**
C/o: Hindusthan Fuels, Kalyanpur, Barwadda
Dhanbad – 826 004, Jharkhand
Phone: 7070128255

** Raw Material Godown
++ Regional Distribution Centre
## Proposed new depot

# Berger Paints India Limited — Sales Depots & Offices (contd.)

**Bhagalpur**
Netaji Subhash Chandra Bose Marg
(Central Jail Road), P.S.: Tilakamanjhi
Bhagalpur – 812 001
Phone: 74638 86880

**Muzaffarpur**
Kolhua Paigamberpur, Purani Motihari
Road, Baria, P.S.: Ahiyapur, P.O.: Kolhua
Paigamberpur, Dist.: Muzaffarpur
Muzaffarpur – 843 108
Phone: 92644 49124/25

**Bhubaneswar**
Plot No.187, Kesura, P.O. Bankul
Police Station: Saheed Nagar, Dist.: Khorda
Bhubaneswar – 751 001, Orissa
Phone: 9937880620

**Bhubaneswar (Office Only)**
Khata No.928/1146, Plot No.1674/3705
New Puri Bypass Road, Kesura Chhak
Jharapada, Mouza – Bhubaneswar Town Unit
No.33, Ward No.32, Kharda District
Bhubaneswar – 751 002

**Cuttack**
Plot No.527, Chaudhury Complex
At-Manguli Square , P.O.: Choudwar
Dist.: Cuttack, Odisha – 754 025
Phone: 0671 239 2584/239 2616

**Berhampur##**
Plot No.872, Madanmohanpur, Berhampur
Ganjam, Odisha

**Jamshedpur**
Near Military Camp, Sundernagar, Tatanagar
Jamshedpur, Jharkand – 832 107
Phone: 0763 509 3823

**Ranchi**
Martin Baken, Village Kharsidag, P.O.: Tetri
Ring Road, Ranchi, Jharkhand – 834 010
Mobile: 07070097309

**Ranchi - Additional**
Revisional Survey Plot No.113, 431, 432,
Khata No.18 , Thana No.306
Village - Kochbong, Ring Road
P.S. Namkum, Ranchi – 834 010
Phone: 7070097303

**Sambalpur**
Global Warehouse, Remed,
Sambalpur – 768 006, Odisha
Phone: 0789 446 9691
(**To be shifted to:** Jalan Estate, NH-6
Remed, Near NEXA Showroom
Sambalpur – 768 006)

## South – 1

**Guntur**
Sridhar & Sridhar Estates, 8-227/3
Bonthapadu Road, Etukuru
Guntur – 522 003, Andhra Pradesh
Mobile: 81063 91671 / 99483 47147

**Hyderabad – 1**
8-84/11/2, Survey No.688 & 689
Near Sai Geetha Ashramam, Devar Yamjal
Medchal, Malkajgiri, Telangana – 500 047
Phone: 2980 4277/88/99

**Hyderabad – 2**
Door No.10-10/21, New Gayatri Nagar
Opposite SBH Bank, Jillelaguda
Hyderabad – 500 079
Phone: 040 2409 7334/2409 4334

**Kurnool**
Door No. 51/15/A/4/8, Sy. No.312/2, 321
Rajiv Nagar, Bellary Road
Near Hanuman Weight Bridge
Kurnool – 518 003
Phone: 08518 259 677/577

**Karimnagar**
Survey No.720, Beside BP Petrol Bunk
Bypass Road, Bommakal Village
Karimnagar, Telangana – 505 001

**Tirupati**
No.14-39, Opp. G.D.R. Cylinders
Renigunta Industrial Estate
Renigunta – 517 520
Phone: 08772239395/200
(**To be shifted to**: 13-407/1 & 13/407/2,
JK Estates & Warehouses, Tirupati Road,
Renigunta – 517 520)

**Vijayawada**
R.S. No.73/2, Kanuru Donka Road
Prasadampadu, Vijayawada Rural – 521 108
Phone: 0866 284 3641/42
Mobile: 09246494620

**Visakhapatnam**
Plot No. 188, D-Block, IDA, Autonagar
Visakhapatnam – 530 012, Andhra Pradesh
Phone: 0891 254 5936/257 8396

## South – 2

**Alleppey**
Door No: EP/12/41A
Eramalloor – Ezhupunna Road
Ezhupunna Panchayat, Ward No.12/36
Eramalloor , P.O.: Cherthala Taluk
Alleppey – 688 537
Phone: 9249477085/0478 2872366

**Calicut**
Door No.III/102D, (New No.XV/517B)
Ground floor, Parammal Junction
Near ALPB School, Parammal
N H Bypass Road, Azhinhilam
Malapuram – 673 632, Calicut, Kerala
Phone : 0483 283 2144/2244
(**To be shifted to:** Puthiya Veedu Parambu
NH 66 Bypass, Eranhikkal, P.O.
Calicut – 673 303)

**Calicut - Additional**
Building No.V P 2/387A
Parammal Azhinjillam Road
Near Bhavana Bus Stop, Azhinjillam
P.O.: Malappuram – 673 632
Phone: 7034513005

**Chennai – 1**
10, Noombal Main Road, Velappanchavadi
Chennai – 600 077
Phone: 9025906243

**Chennai – 2**
Door No.14, M.T.H. Road
Ambattur, Chennai – 600 098
Phone: 044 26357835 to 38

**Coimbatore**
S.F. No. 9/1A2, Rangavale Compound
Metupalayam Road, Thudiyalur
P.O, Coimbatore – 641 034, Tamilnadu
Phone: 0422 2644 508/2644 132/2644
271/436 8288

## Hosur
Block 5, 167/1C, Avigna Industrial Park
Nagondapalli Village Hosur Taluk
Krishnagiri District, Tamil Nadu – 635 110
Phone: 96297 74931

**Hosur (Office only)**
Shed No.C-15 (a), Sidco Industrial Estate,
Survey Nos.21 and 22 (New Survey No.21/1A
and 22/1A), Hosur - 635 126
Phone : 04344-262212 and 274929

**Kannur**
C/o. Western India Cottons Godown
PPXIII/66, P.O.: Pappinisseri, Dist.: Kannur
Kerala – 670 591
Phone: 0497 278 6556

**Kochi (Office only)**
Door No. III/835 C, Valiyara Chambers
K.K. Road, Chembumukku
Ernakulam – 682 021
Phone: 0484 242 6312/18

**Kollam**
4/744, 726, 724, 725, Rajkumar Impex
Palamukku, Kannanalloor P.O. Kollam – 691 576
Phone: 0474 2912733/ 2913743

**Kottayam**
Vijayapuram Panchayath, Door No. XI/12A
At 47/4, Block-23, Vijayapuram Village
Manganam Kara, Kottayam – 686 010
Phone: 0481 257 6481/82

**Madurai**
Nedunkulam Main Road
Opp. Idayam Rajendran School Samanathan
Post, Puliyar Panchayath, Madurai – 625 009

**Puducherry**
26/4 & 5, Konerikuppam Road, Olavaikkal Village
Koodapakkam Post, Villanur
Puducherry – 605 502

**Thrissur**
Building No. XVI 564 B, 564 C, 564 D
Ponganamkad Centre, P.O. Kurichikkara
Thrissur – 680 028
Phone: 0487 269 5003/5001
Fax: 0487 269 5003

**Thrissur++**
Building No. XVI 564 E, 564 F, 564 G, 564 H
Ponganamkad Centre, P.O.: Kurichikkara
Thrissur – 680 028
Phone: 0487 269 5001/5003/7800
Fax : 0487 269 5003

**Tirunelveli**
200-E/2/1, Tiruchendur Road
Samathanapuram, Palayamkottai
Tirunelveli – 627 002
Phone: 0462 257 3315/16
(**To be shifted to:** S.No.124/1,124/2,
124/3, 125/1, 125/2 & 125/3B
Ananthakrishnapuram Village
Tirunelveli – 627 357)

**Trichy**
New No.1/231 and Old No.1/175B
Thayanu Main Road, Punganur Panchayat
Srirangam Taluka, Tiruchirappalli – 629 009

**Trivandrum**
G.H. Auditorium, Vazhuthoorkonam
Malayinkeezhu, P.O.: Machel
Thiruvananthapuram – 695 571
Phone : 0471 2284027

**Trivandrum (Office only)**
Building No.53/372 (7), 53/372 (8)
Second floor, Golden Palace Plaza
Estate Road, Pappanamcode
Thiruvananthapuram – 695 018

## South – 3

**Bengaluru – 1**
Godown # 2, Survey No. 40
Laxmipura Village, Sakalavara Road,
Off. Bannerghata Road, Bengaluru – 560 083

**Bengaluru – 3**
Plot No.32, Peenya III Phase Industrial Area
Bengaluru – 560 058
Phone: 080 283 77778/283 77668

**Bengaluru++**
Survey No.250, Huchhegowdanapalya
T. Begur Grama Panchayat & Post,
Nelamangala Taluq, Bengaluru Rural District
Karnataka – 562 123
Phone: 080 2773 3557

**Bengaluru - 2A**
Sy.No.56/4 (Old Sy.No.56/3)
Malonagathihalli Village
Kasaba Hobli, Nelamangala Taluk
Bengaluru Rural, District – 562 123
Phone: 9243482067

**Bengaluru - 4**
Block 2, Survey No.209/2 & 209/4
Koralur Village, Hoskote Taluk, KASABA
Hobli Bengaluru Rural – 500 067

**Bengaluru (Office only)**
1st & 2nd floor, Building No.102, Meva
Plaza, R.V. Road, V. V. Puram
Bengaluru – 560 004

**Mangalore**
Survey No.44/1BP, 44/1BA, 44/2A2, 94, 98
Beside NH 66 Kulai Village
Mangalore – 575 014
Phone: 9249003523

**Mysore**
145/A, Belagola Industrial Area
Near Wipro Ltd.
Metagalli, Mysore – 570 016
Phone: 0821 249 6633/77

**Vijayapura**
Plot No.35/36/37 & 38, KIADB Industrial Area
Aliyabad Block, Vijayapura – 586 104
Phone: 08352295117

**Hubli**
Sy.No.11/1, Kotagondahunasi Village, Hubbali
Taluk, Dharwad District, Hubballi – 580 025

## West – 1

**Aurangabad**
C/o: Suman Plastics, Unit - II
Gut No.63/P, Dhule - Solapur Highway
Sahajpur, Taluka & District
Aurangabad – 431 136
Phone: 9225304115

**Bhiwandi**
Building No.C-2, Gala No.1 to 5, Sumit
Logistic and Industrial Park
Kukse - Borivile Village
Mumbai Nashik Highway, Taluka - Bhiwandi
District - Thane – 421 302

## Proposed new depot

++ Regional Distribution Centre

# Berger Paints India Limited — Sales Depots & Offices (contd.)

### Ghatkopar
Pattanwala Glass Works, Chirag Nagar
LBS Marg, Ghatkopar (West), Mumbai – 400 086
Phone: 022 2516 8355/7398/9414
Fax: 022 2516 6406

### Goa
Inteloc-S1, Rhea-Estate, NH-17, Village Nuvem
Taluka Salcete, Dist.: South Goa, Goa – 403 604
Phone: 0832 279 1758/1959
Fax: 0832 2791 960

### Chakkan++
Survey No.300/1, Village Bhamboli
Near Chakan MIDC, Taluka - Raj Guru Nagar
(KHED), District - Pune – 410 501
Phone: 92722 35567/97684 35260

### Vasai
Unit Nos.47, 48, 49 & 50, Apple Industrial Hub
Pelhar Naka WEH No.8, Near Tata Service
Centre Nallasopara East, Taluka - Vasai
District - Palghar – 401 208

### Kolhapur
345/16A, Hupari Road, Opposite Gudmudshing
MSEB Power Station, Gudmudshing
Taluka Karveer, Dist.: Kolhapur – 416 119
Phone: 0231 261 5755/5855/5955

### Mumbai (Office only)
804, Windfall, Sahar Plaza, J. B. Nagar
Andheri Kurla Road, Andheri (East)
Mumbai – 400 059
Phone: 022 2834 2001/2/3/4/5

### Nagpur
R K Warehousing & Leasing, Khasra No.99
Nagpur-Katol Road, Village: Fetri
Tah & Dist.: Nagpur (Rural) – 441 501
Phone: 0712 2667118/7119/141/142

### Nashik
Baphana Warehousing Gate No.2
Godown No.L1, Mumbai Agra Highway
Village Jaulke, Taluka: Dindori
Dist.: Nashik – 422 202
Phone : 9607982101/02

### Pune
Gut No.1100, Near Divya Jivan Vatika Ashram
Pune Saswad Road , Wadki, Pune - 412 308

### Raigad **
Plot No.104/2A-1,2A-2,2B,2K, 4&6, Jasai
JNPT Road, (Nhava Sheva), Uran, Raigad
Maharashtra

### Solapur
"Lonawat Arcade", Gate No.301/2B, Pune Road
At Post: Kondi, Taluka – North Solapur
Solapur – Pune Highway
Dist.: Solapur – 413 006
Phone: 0217 235 7214

### Amravati
Survey No.4/3, Part, Mouja – Mhasla
Anjangaon Bari Road, Near Raisoni College
Amravati – 444 701

### Panvel
Warehouse No.435, at Survey No.146, 147 &
148, Ajivali Village, NH 4
Old Mumbai Pune Highway, Panvel – 410 207

### Jalgaon
2202/1, Near Tata Service Center
Jalgaon Nasirabad Highway, Jalgaon – 425 309

## West – 2

### Ahmedabad
Survey No. 298 and 300
Near Khodiyar Mata Temple
(Landmark-Concept Jeep Workshop)
Sanathal Cross Road, SP Ring Road
Village Sanathal, Taluka - Sanand
Dist.: Ahmedabad – 382 210
Phone: 92272 54514/92272 54515

### Rajkot
Shreenathi Warehouse, Survey No.129
Near Prayag Industrial Estate
Rajkot Jamnagar Bypass, 150, Ft. Ring Road
Navagam Anandpar, Rajkot – 360 006
Phone: 90330 01757

### Surat
Survey No.8/A and 8/B
Next to Saraswati Vidyalay School
Gram Saniya Hemad, Surat, Gujarat – 394 210
Phone: 9227951500

### Vadodara
Survey No.497, 498, 499
Landmark - Near Hotel Silver Plate
Opp. GSFC Main Gate, Dasrath
Vadodara – 391 740
Phone: 63598 78130

## North – 1

### Bhatinda
MCB-Z-8/02464, Gill Complex, Mansa Road
Near ITI Chowk, Bhatinda – 151 001
Phone: 0164 224 0239/1239

### Jalandhar
Vakiya Abadi, Near Nakodar Road
Village: Khambra, Dist.: Jalandhar – 144 026
Phone: 0181 279 1466/1467

### Jammu
1790/579, Ward No.4, Kikri Morh
Purmandal Road, Lower Bripur
Tehsil Bari Brahamna
Dist.: Samba – 181 133, Jammu
(Ward No.4, Kikri Morh Purmandal Road
Lower Birpur , Dist. Samba - 181 133)

### Ludhiana
Property No.1838, Plot No.B-3 to B-8 & A-4,
Focal Point, Ludhiana – 141 010, Punjab

### Zirakhpur
Khasra No.725-729, Village Nabha
Zirakpur Patiala Road
Opposite Hotel Radisson, SAS Nagar
Zirakhpur – 140 603, Punjab
Phone: 01762 295378

### Srinagar
Sutho Kathair Bagh, Tehsil-Chadoora
Dist.-Budgam, Srinagar – 15
Phone: 0194 231 5050/5051

## North – 2

### Ambala
Khasra No.64/23/1, 24/1, 18, 24/3, 25/2,
24/2, 16/2, 16/3, 17/1, 17/2
Revenue Estate, Village – Mohra,
Tehsil & District : Ambala, Haryana – 133 004
Phone: 9896453139

### Ambala (Office only)
Survey No.178, Building No.180/1-3
Rai Market, Ambala Cantt
Phone: 92151 00410.

### Bikaner
Plot Nos. F-210 and F-211, Karni Industrial
Area, Phase-2nd Near Pugal Road Flyover
Bikaner, Rajasthan – 334 004
Phone: 0151 297 0034/37 & 225 0085

### Faridabad
Plot No. 40, Sector-6, Faridabad – 121 006
Phone: 78388 38148/75960 03970

### Faridabad-2
Building No. 2, Killa 3, 4, 7, 8, 13, 14/1, 17, 2,
18, 23, 24/1, 26 Rectangle 31, Kh. 346/385
Rectangle 23, Killa 4/2/1, 7/2/2/2 Sector 145
Village Seekri, Tehsil Ballabgarh
Faridabad – 121 004

### Rohtak
Killa No.147/20, 147/19, Village Moja Bahu
Akbar Sirsa Road, Rohtak – 121 004

### Jaipur (Office only)
Plot. No. 114A-115A, Jhotwara Industrial Area
Jhotwara, Jaipur – 302 012
Phone: 0141 234 4054/4213/4162
Fax: 0141 234 4054

### Jaipur – 2
F-560-596, Road No.6
Vishwakarma Industrial Area (VKIA)
Jaipur – 302 013
Phone : 6291322832/9214012119

### Jodhpur
Plot No. G-121, (A, E & F), M. I. A. Basni II Phase
Near Poorva Hospital, Jodhpur – 342 003
Phone: 0291 274 4262/4792/0499

### Kota
A-263(C), Indraprastha Industrial Area
Kota, Rajasthan
Phone: 0744 2490168

### Udaipur
Plot No.1, Khasra No.1279-1284
Revenue Village, Nela Savina, Tehsil Girwa
Udaipur – 313 002, Rajasthan
Phone: 9251021606, 9351817901

## Central – 1

### Delhi (Office only)
Office No. 29, 1st floor, "C" Block, DDA Market
Yojana Vihar, Delhi – 110 092
Phone: 011 2215 9010/11/25

### Noida
Khasra No.512, Surajpur, Near Gurudwara
Greater Noida, Gautam Budh Nagar,
Uttar Pradesh – 201 306
Phone : 70091 01881

### Janakpuri
Plot No. B-2 & B-3, A-1B Market, Block A-1
Pankha Road, Janakpuri, New Delhi – 110 058
Phone: 011 2562 3741/3742
Fax: 011 2554 8654

### Mandoli
Godown No. JR-2 & JR-10, JR Complex
Gate No.1, Sewadham Road, Mandoli
Delhi – 110 093
Phone: 011 2234 1422/2255

### Mundka ++
Khasra No.89/3 (2-19), 4(4-16), 89/7, (4-16)
8(5-13), 13(4-10), 14(4-6), Village - Tikri Kalan
Mundka, New Delhi – 110 041
Phone: 09560455401

### Okhla
D-14/2, Okhla Industrial Area, Phase-II
New Delhi – 110 020
Phone: 011 2638 3772/6008/3258

### Punjabi Bagh
102 & 103 DDA Transport Centre
New Rohtak Road, Punjabi Bagh
New Delhi – 110 035
Phone: 011 2831 2460/2461/6922/6933
Fax: 011 2831 3880

### Rithala
Khasra No. 915-916, Guleria Complex
Rithala Village, New Delhi – 110 085
Phone: 011 2705 6582/584/585

### Gurgaon
Kataria Complex, Khasra
No.10947/7283/2918/1 & 2
Daultabad Road, Industrial Area
Gurgaon – 122 001
Phone: 0124 225 5471/72/73

### Gurgaon Office
2nd floor, Khasra No.10947/7283/2918/2,
Kataria Complex, Daultabad Road
Industrial Area, Gurgaon – 122 001, Haryana
Phone : 09212 717196

## Central – 2

### Agra
C-9, Site-C, UPSIDC, Industrial Area
Sikandra, Agra – 282 007
Phone: 05622531422, 92196 311688

### Bareilly
Clutter Buck Ganj, Opp. GTI 7th Km. Stone
Bareilly – 243 502, Uttar Pradesh
Phone: 0581 256 0340/0940

### Devla ++
Khasra No. 09, Gulistanpur, Surajpur Dadri
Road/I.C.D. Dadri Gulistanpur Road
Near IOC Petrol Pump, Devla Greater
Noida – 201 306
Phone: 98732 97507

### Ghaziabad
Cloud-9 Resort, Opposite Uttam Toyota
Meerut Road, Ghaziabad – 201 003
Phone: 0120 640 2043/44

### Moradabad
Khasra No.2540, 2541, 2553, 2554, 2555,
2557, 2558, 2559, 2560 and 2583, Lakhari
Fazalpur Industrial Area, Opp. Islam Export
Near Delhi Mini Bye Pass Road
Moradabad – 244 001
Phone: 9045018036

### Meerut
44/257, Rithani, Delhi Road
Meerut – 250 103

### Dehradun
Khasra No.75/3 & 77/4, Mohabewala
Industrial Area, Saharanpur Road
Dehradun – 248 002

### Haldwani
C/o: Vintage Green Marriage Lawn
Village - Jeet Pur Negi
Rampur Road, Haldwani, Dist: Nainital
Uttarakhand – 263 139
Phone : 05946-293144, 9068547532

### Haridwar
Kharsa No.11,Village Sultanpur Majri
Bahadrabad, Haridwar – 249 402
Mobile: 070600 05163/070600 07153

### Rudrapur
Industrial Plot No. 46, Land No.453 & 454
PO: Bhagwara, Kicha Road
Rudrapur - Udham Singh Nagar
Tehsil Rudrapur, Dist: Udham Singh Nagar
Uttarakhand – 263 153
Phone: 82181 37211

** Raw Material Godown
++ Regional Distribution Centre

++ Regional Distribution Centre

## Berger Paints India Limited — Sales Depots & Offices (contd.)

**Aligarh**
C/o: U P State Warehousing Corporation
Godown No.259 & 260 at 517 and 5/2
Bima Nagar, Aligarh – 202 001

**Aligarh Office**
K.No.37, Darshan Vihar
Behind Fortune Hotel, G T Road
Aligarh – 202 001

### Central – 3

**Allahabad**
Khasra No.54, Chakrana Tiwari, Arail
Tehsil - Karchana, Near Chaka Block Hospital
CO Road, Allahabad – 211 008
Phone: 075230 84888

**Gorakhpur**
NH-28, Gorakhpur-Lucknow Road
Village Hariya/Ekdanga, Post: Baharampur
Gorakhpur - 273 010

**Jhansi**
Khasra No.467, Mauja-Bijauli
Rajgarh Lalitpur Road, Opp. PAC
HQ - Gate No.3, Jhansi
Uttar Pradesh – 284 135
Phone: 7525037038

**Sitapur**
C/o: Singhania Agro Industries Pvt. Ltd.
Village Ram Nagar , Sitapur - Hardoi Road
Sitapur – 261 001, Uttar Pradesh
Phone: 9519978333/9519973444

**Kanpur**
Plot No.418, 419 & 420, Bhaunti Station Road
Tahsil: Bhimsen, Kanpur Nagar
Uttar Pradesh – 209 305
Phone: 75250 37037

**Lucknow**
389, Vill. Ahmedpur URF Kamalapur, Post Mati
Bijnore - Sisendi Road, Lucknow – 226 002
Phone: 0522 2320 431 / 434 / 419

**Lucknow (Office only)**
Ground,1st & 2nd floor, B-22, Sector-B, Aliganj
Lucknow – 226 024
Phone: 0522 232 0431/434/419

**Varanasi**
Arazi No.70 KH, 81, 84 & 85 on NH-2,
Mauza Gaon - Jagatpur Opposite - Jagatpur
Degree College, Varanasi – 221 302
Phone : 7521801838 / 9235617078

**Faizabad**
C 13, 14 & 15, Industrial Area, Site No.1
Haripur. Jalalabad LKO Road, Faizabad
Ayodhya – 224 001

### Central – 4

**Bhopal**
Khasra No 111/1/1/2/5
Landmark – Reshumrao Hotel, PH No 21
RI No 2, Village Aadampur Chawni
Gram – Aadampur, Tehsil Huzur
Dist.: Bhopal – 462 021, Madhya Pradesh
Phone: 099260 11445/078699 29587

**Gwalior**
Survey No. 1610, Beside Saroj Fuel Shoppe
(BPCL Petrol Pump)
Near Vicky Factory Cross Road
Jhansi Road, Gwalior – 474 001
Phone: 73548 81101/92356 00341

**Indore**
Survey No.398, 399 & 400/2
Patwari Halka No.25
Next to Supremo Warehouse, Badia Keema
Nemawar Road, Indore
Madhya Pradesh – 452 016

**Jabalpur**
C/o Shiv Smriti Marketing, Matani Warehouse
Patan Bypass Chouraha, Patan Road
Gram Sukha, Jabalpur – 482 002
Madhya Pradesh
Phone: 078690 01276/72

**Raipur**
G D Warehousing, Warehouse No.10
Behind Raika Rolling Mill, Ring Road
No. 2, Gondwara, Raipur – 493 221
Chattisgarh
Phone: 0771 661 6601/3/5/614/619

## iTrains

**Ahmedabad**
Elite Magnum Office No - 901 & 902
9th Floor, Opp. Utsav Elegance
Near Bhuyangdev Cross Road
Bhuyangdev, Ahmedabad – 380 061
Phone: 9227630111

**Bengaluru**
No.7, R.V. Road, V. V.Puram
Opp. to Lalbagh West Gate
Near Metro Station, Bengaluru – 560 004
Phone: 9606905613

**Bhubaneshwar**
Puri Bypass Kesora Road Chowk
Nr Kesora, Bhubaneswar
Odisha – 752 102
Phone: 9147335632

**Calicut**
Door No.III/102D, (New No. XV/517 B)
Ground Floor, Parammal Junction
NH Bypass Road, Near ALPB School
Parammal, Vazhayur Village
P.O. Azhinjilam, Calicut – 673 632
Phone: 9147332715

**Cochin**
Door No: III/835D, First Floor
Valiyara Chambers, KK Road
Chembumukku, Cochin – 682 021
Phone: 9147332713

**Dehradun**
Doon Guest House Building
Saharanpur Road, Near Transport Nagar
Dehradun – 248 001
Phone: 9068595888

**Ghaziabad**
Cloud 9 Resort, Opp. Naveen Hospital
Meerut Road, Ghaziabad – 201 003
Phone: 9205686854

**Gurgaon**
Katariya Complex, Laxman Vihar
Sector 3A, Gurugram, Haryana – 122 001
Phone: 9147309792

**Guwahati**
Hanuram Boro Path, Kachari Basti
Dispur, Guwahati – 781 005
Phone: 9147335624

**Hyderabad**
10-10/21, Gayatri Nagar
Jillalaguda, Rangareddy – 500 079
(Opposite Hundai showroom)
Phone: 9059423100

**Jaipur**
Plot No.114A -115A
Jhotwara Industrial Area, Jaipur – 302 012
Phone: 9828526080

**Kolkata**
Industrial Research Laboratory
6 Canal South Road, Chaulpatty
Kolkata – 700 015
Phone: 9230005985

**Kottayam**
Opposite Vision Honda Showroom
Cement Junction, Nattakom
P.O.: Kottayam – 686 013
Phone: 9147332719

**Lucknow**
A/20, Sec- B, Aliganj
Landmark- Opposite Nehru Bal Vatika Park
Aliganj, Lucknow – 226 024
Phone: 9147332687

**New Delhi**
102 & 103, DDA Transport Centre
Punjabi Bagh, New Rohtak Road
New Delhi – 110 035
Phone: 9147078084

**Patna**
Nirmala Complex
Opp. Amit Hotel, By Pass Road
Anishabad, Patna – 800 002
Phone: 9147335629

**Pune**
Shanti Chambers 2 Floor
Chafekar Chowk, Chinchwad – 411 033
Phone: 9147335651

**Surat**
Balaji House, Near Ambe Mata Temple
Adajan Patiya, Surat – 395 009
Phone: 9147165482

**Thrissur**
Building No-4/291-3, First Floor
Trinity Building Paravattani, Kalathode
Thrissur – 680 655
Phone: 9147335639

**Tirunelveli**
Vijay Towers, Tiruchendur Main Rd
Samathanapuram, Palayamkottai
Tirunelveli, Tamil Nadu – 627 002
Phone: 9147339885

**Trivandrum**
3rd Floor, Golden Palace Plaza
Estate Road, Pappanamcode
Trivandrum – 695 018
Phone: 9147332717

**Vijaywada**
D. No. 7-29, Sri Sai Baba Nilayam
Opp. Sai Baba Temple, Ramavarappadu
Vijayawada, Andhra Pradesh – 521 108
Phone: 9703361438

**Jamshedpur**
Main Road Bistupur
Mrs K.M.P.M. Inter College Campus
Jamshedpur, Jharkhand – 831 001
Phone: 9147332704

**Mumbai**
Patanwala Glass, LBS Road
Opp. NCP Office, Chirag Nagar
Near Police Station & Navy Gate Ghatkopar
West Mumbai – 400 086
Phone: 9920774439

**Jalandhar**
Vakiya Abadi, Near Nakodar Road
Village Khambra, Jalandhar – 144 026
Phone: 9780400363

**Faridabad**
Plot No. 40, Sector 6, Faridabad
Haryana – 121 006
Phone: 9147335668

**Chennai**
No: 75 A, TASS Industrial Estate, 1st Floor
Ambattur, Next to S.K Engineering Works
Chennai – 600 098
Phone: 9147332722

**Puducherry**
No.08, Main Road, Gnanapragasam Nagar
Puducherry – 605 008
Phone: 8807737761

**Trichy**
New No.1/231 & Old No.1/175B
Thayanur Main Road
Punganur Panchayat, Srirangam Taluka
Tiruchirappalli – 620 009

# British Paints Division

## Sales Depots

**West Delhi**
Khasra No.87/20, Village Ghevra
Mundka, Delhi – 110 041
Phone: 9015554160
Email: westdelhi@britishpaints.in

**South Delhi**
Khasra No. 407
Near Raja Polutry Farm
Sultanpur, New Delhi – 110 030
Phone: 9015554164, 9205855958
Email: southdelhi@britishpaints.in

**East Delhi**
Godown No. MJ-11, J.R.Complex
Mandoli, Delhi – 110 093
Phone: 9654031071
Email: eastdelhi@britishpaints.in

**Ghaziabad**
C-122, Gram Shahpur, Bamheta
Industrial Area, Distt: Ghaziabad
Uttar Pradesh – 201 002
Email: ghaziabad@britishpaints.in

**Noida**
H-102 & 103, Sector 9
Noida – 201 301
Phone: 9015554437
Email: noida@britishpaints.in

**Kanpur**
84/1-B, Fazalganj
Industrial Area, Kanpur – 208 012
Phone: 07668074913, 9310246973
Email: kanpur@britishpaints.in

**Allahabad**
623-624, Transport Nagar
Allahabad – 211 011
Phone: 05122230014/7668074987
Email: allahabad@britishpaints.in

**Agra**
13A/756/1A, Shadra Chungi
Firozabad Road, Agra – 282 006
Phone: 888 184 8830, 9837481803
Email: agra@britishpaints.in

**Gorakhpur**
Khatta No. 337/162
Village Chhapiya, Khajni Road
Naushad, Gorakhpur – 273 016
Phone: 766 8074844
Email: gorakhpur@britishpaints.in

**Varanasi**
Pama Complex
Near Vishal Auto Agency
Lahartara DLW Road, Laharatra
Varansi, Uttar Pradesh – 221 103
Phone: 0542-2372278/7668074578
Email: varanasi@britishpaints.in

**Faridabad**
SSI Plot No.-20, NH-5, NIT
Faridabad – 121 001
Phone: 0129-4037440
Email: faridabad@britishpaints.in

**Gurgaon**
2nd Milestone, Killa No. 6/25
Basai Road, Krishan Nagar
Gurgaon (HR) – 122 001
Phone: 9560366236
Email: gurgaon@britishpaints.in

**Panipat**
Khasra Number 47, Village Pasina
Kalan, District: Samalkha, Panipat
Haryana – 132 103
Phone: 9541209805/8199000961
Email: panipat@britishpaints.in

**Haldwani**
Opposite Kattha Factory
Devalchaur Kham, Rampur Road
Haldwani, Distt.: Nanital
Uttarakhand – 263 139
Email: haldwani@britishpaints.in

**Dehradun**
238, Mohabewala Saharanpur Road
Near Sai Baba Mandir Dehradun
Uttarakhand – 248 001
Phone: 766913 8409
Email: dehradun@britishpaints.in

**Zirakpur**
Khata No.205/208
Khasra No.15/2/1, Hadbast No.234
Chandigarh, Zirakpur Highway
Opp. Jai Mata Marble Zirakpur
Near Ramada Hotel
Tehsil- Dera Bassi, Dist. S.A.S Nagar
Mohali – 140 603
Phone: 01762-527112-13-14
Email: mohali@britishpaints.in

**Amritsar**
Khasra No.1301
Opposite Chatwal Petrol Pump
G.T Road, Sultanwind
Near Tarawala Pull, Amritsar
Phone: 9569360416
Email: amritsar@britishpaints.in

**Ludhiana**
B-23-2581/10, Industrial Area-A
R.K. Road, Ludhiana – 141 003
Phone: 9569754425
Email: ludhiana@britishpaints.in

**Jalandhar**
Asiatic Compound
Usha Dharma Kanta
Basti Bawa Khel, KPT Road
Jalandhar – 144 021
Phone: 93241 35319, 9569652492
Email: jalandhar@britishpaints.in

**Jammu**
Ground Floor, Phase -3
Near Nidra Showroom Industrial Area
Gangyal, Jammu – 180 010
Phone: 09596776481
Email: jammu@britishpaints.in

**Srinagar**
Ground Floor, Khasra No.1578
Khevat No. 44, Shiekh Complex
Opp. Shuhul Automobiles
Pharoo Road, NR- NH-1A, Nowgam
By-pass, Srinagar – 190 015
Phone: 0194 2315258-60
Mob: 9797792213, 9419146158
Email: srinagar@britishpaints.in

**Anantnag**
Khewat No. 12, Khasra no 22/1
and 22/2. National Highway
44 Mallapora, Anantnag
Kashmir – 192 102
Phone: +91 1931294620
Mob: 7006413805
Email: anantnag@britishpaints.in

**Guwahati**
Opp. B.P Petrol Pump
Near Lakhra Charali, NH-37
Post Office: Saukuchi
Guwahati – 781034, Assam
Phone: +918811081316
Email: guwahati@britishpaints.in

**Silchar**
C/o Kay Dee Cold Storage Pvt Ltd
Ramnagar, Opposite: ISBT Silchar
Cachar, Assam – 788 003
Phone: 8882242014
Email: silchar@britishpaints.in

**Agartala**
Dhaleswar Road No.-1, Agartala
Tripura (W) – 799 007
Phone: 0381 2302244/8881848838
Email: agartala@britishpaints.in

**Patna**
Plot No. 369, Patel Colony Road
West Transport Nagar
Patna – 800 026
Phone: 9999116827, 9999116830
& 7678174817
Email: patna@britishpaints.in

**Muzaffarpur**
Khata No. 179, Khasra No. 260 & 261
Mansurpur Chamarua, Near Pakhri
Rewa Road, P.O.: Chamarua
P.S: Karja, Block Marwan
Distt. Muzaffarpur – 843 113
Phone: 7678175386/8595940300
Email: muzaffarpur@britishpaints.in

**Ranchi**
R.S Plot No. 543, 544, 545
Khata No.44,109 & 55
Village Tetri, P.S. Namkum
District Ranchi, Jharkhand – 834 010
Phone: 9304173252 & 9999116805
Email: ranchi@britishpaints.in

**Pune**
Krushnai Warehouse, Sr.No. 43/2/2
Manterwadi, Uruli Devachi
Tal. Haveli, Dist.: Pune – 412 308
Phone: 7620653711, 9325181849
Email: pune@britishpaints.in

**Nasik**
Baphana Werehousing Pvt Ltd
Gate No 103, Ambe Hills
Mumbai, Agra Road, Village Jaulke
Tal. Dindori, Distt.: Nashik – 422 206
Phone: 7620653714
Email: nasik@britishpaints.in

**Mumbai**
Plot No.-A 784, TTC Industrial Area
Khairane, Khairane Belapur Road
Navi Mumbai – 400 710
Phone: 9320933850 / 9324134327
Email: mumbai@britishpaints.in

**Kolhapur**
131/3 Desai Panand Sangli Phata
at Post Shiroli (Pulachi)
Taluka Hatkanangle, Distt.: Kolhapur
Maharasthra – 416 122
Email: kolhapur@britishpaints.in

**Ahmedabad**
Godown No.7, Jamnagar Estate
Behind Alfa Hotel, N.H. No.8
Aslali, Ahmedabad – 382 427
Phone: 8882261456, 8882261462
& 9824363491
Email: ahmedabad@britishpaints.in

**Baroda**
Industrial Casting Block No. 4/26
BIDC Industrial Estate
Gorwa Road, Baroda – 390 016
Phone: 8882241882 & 8920246178
Email: baroda@britishpaints.in

**Rajkot**
Anand Logistic & Commercial Park
Godown No.09, Gam Sokkhda
Survey No.97, Tal. District Rajkot
Near Sat Hanuman, New 150
Ft Ring Road, Behind Transport
Nagar, Rajkot Jamnagar By
Pass Road, Rajkot, Gujarat
Phone: 8920246595
Email: rajkot@britishpaints.in

**Indore**
Dewas Naka, Behind Agarwal
Tolkata, Lasudia, Mori
Indore – 452 010
Phone: 9300343559/9907998897
Email: indore@britishpaints.in

**Bhopal**
C/o Adhish Industries
11A J.K Road, Industrial Area
Govindpura, Bhopal, M.P – 462 023
Phone: 07060317060
Email: bhopal@britishpaints.in

**Katni**
Maihar Road, N.H. 7
Chaka Satguru Dharamkata Premises
Katni (MP) – 483 501
Phone: 08920247392
Email: katni@britishpaints.in

**Raipur**
GD Warehousing, Ring Road No.2
Opp. Reliance Petrol Pump
Gondwara Raipur
Chattishgarh – 493 221
Phone: 0771 – 4000640
Email: raipur@britishpaints.in

**Bilaspur**
Kharsa No-487/1,487/2
Raipur Main Road, Near High Court
Bodri, Bilaspur, Chattishgarh
Phone: 8602192685
Email: bilaspur@britishpaints.in

**Hyderabad**
3-13-142/404 on Plot No 404 & 405
Gokul Nagar, Mallapur, Under GHMC
Kapra Circle, Uppal Mandal
Medchal, Malkajgiri District
Telangana – 500 076
Phone: 9397020914
Email: hyderabad@britishpaints.in

**Tirupati**
11-15, 3rd Main Road Extension
Industrial Estate, Opp: CRS Gate
Renigunta Road, Tirupati
Andhra Pradesh – 517 506
Phone: 9989210030
Email: tirupati@britishpaints.in

**Vijaywada**
Plot No.77, Jawajar Auto Nagar
Vijayawada – 520007
Andhra Pradesh
Phone: 9866711786
Email: vijaywada@britishpaints.in

**Anantapur**
Sr.No 42-2, Beside Prajashakthi
Publishers, Old VRL Godown
Bellary Road, Papampeta
Anantpur – 515 001
Phone: 9113904785
Email: anantapur@britishpaints.in

**Cochin**
Building No. 18/ 383/B
(Old No. 6/296/D), Nadakkaparmbil
Binarnipuram, P.O. Edayar
Cochin – 683 502
Phone: 8590059083, 9349270295
Email: cochin@britishpaints.in

**Thrissur**
3/293 Near Jerusalem Retreat
Center, Thalore P. O.
Thrissur – 680 306, Kerala
Phone: 8881848834
Email: thrissur@britishpaints.in

**Calicut**
Building No. 17/678
(Old No. 9/156/D), Olavanna Bazar
Olavanna P.O., Calicut – 673 019
Phone: 8590059084
E-mail: calicut@britishpaints.in

**Trivandrum**
16/78B Parameswaram Mudakkal
P. O.: Venjarammoodu, Trivandrum,
Kerala – 695 103
Phone: 82870 70018
Email: trivandrum@britishpaints.in

**Bengaluru**
219, 11th Main, 2nd Cross
3rd Phase, Peenya Indutrial Estate
Bengaluru – 560 058
Phone : 8088640704
Email : blore@britishpaints.in

**Hubli**
Shine Industries, Plot No. N/13
2nd Cross, Industrial Estate
Gokul Road, Hubballi – 580 030
Phone: 8197117101
Email: hubli@britishpaints.in

**Jaipur**
A-145, Jagdamba Nagar
Behind Herapura Power House
Near Dasshera Maidan
Jaipur – 302 024
Phone: 0141-3153943, 7877509255
Email: jaipur@britishpaints.in

**Kota**
M/S S.S. Industries, E-28
Industrial Area, Opp Multimetals
Kota – 324 007 (Rajasthan)
Phone: 9413440301
Email : kota@britishpaints.in

**Udaipur**
D-41, Transport Nagar Goverdhan
Vilas, Udaipur, Rajasthan – 313001
Phone: 9079777972
Email: udaipur@britishpaints.in

**Dibrugarh**
Dag No 356, Patta No-126 of Village
Kuchiyakhana Gaon under Mouza
Mancotta Kahnikar
District: Dibrugarh, Assam – 786010
Phone: 8586984162
Email: dibrugarh@britishpaints.in

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