

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, 2020.

FINANCIAL RESULTS

(₹ in Crore)

Particulars	Financial Year ended			
	Standalone		Consolidated	
	2019-2020	2018-2019	2019-2020	2018-2019
Profit before Exceptional Items, Depreciation, Finance Cost and Tax	1108.62	916.27	1129.51	995.57
Add: Exceptional Item	-	(28.60)	-	-
Add: Share of Profit/Loss from Joint Ventures	-	-	(8.30)	(0.90)
Less:				
Depreciation and Amortisation Expense	170.52	165.45	191.01	182.27
Finance Cost	32.68	34.87	47.04	47.24
Profit Before Tax	905.42	687.35	883.16	765.16
Less:				
Provision for Taxation	206.37	251.50	227.06	271.27
Profit After Taxation	699.05	435.85	656.10	493.89
Add:				
Other comprehensive income (loss for the year net of tax)	(6.52)	(2.05)	(19.00)	(10.73)
Total comprehensive income	692.53	433.80	637.10	483.16

Notes: Figures have been restated on account of implementation of IND AS 116

FINANCIAL PERFORMANCE

Highlights of the Standalone Results:

- Revenue from Operations for the year ended 31st March, 2020 was ₹5691.69 crore as against ₹5,515.55 crore in the corresponding period of the previous year, representing an increase of 3.19%.
- EBIDTA (excluding other income) for the year ended 31st March, 2020 was ₹957.80 crore as against ₹862.64 crore in the corresponding period of the previous year, representing an increase of 11.03%.
- Net profit for the year ended 31st March, 2020 was ₹699.05 crore as against ₹435.85 crore in the corresponding period of the previous year, representing an increase of 60.39%. The net profit for the year ended 31st March, 2020 includes ₹100.09 crore as other income from dividend.

Highlights of the Consolidated Results:

- Revenue from operations for the year ended 31st March, 2020 was ₹6365.82 crore as against ₹6,061.86 crore in the corresponding period of the previous year, representing an increase of 5.01%.
- EBIDTA (excluding other income) for the year ended 31st March, 2020 was ₹1060.98 crore as against ₹935.54 crore in the corresponding period of the previous year, representing an increase of 13.41%.
- Net profit for the year ended 31st March, 2020 was ₹656.10 crore as against ₹493.89 crore in the corresponding period of the previous year, representing an increase of 32.84%.
- It is to be noted that the Company acquired 95.53% of the paid up equity share capital of STP Ltd. during the year. Accordingly, the consolidated financial results incorporate the financial results of STP Ltd. for the relevant period.

The Board of Directors have recommended a final dividend of ₹0.30 (30%) per equity share of ₹1/- each for the financial year ended 31st March, 2020. Together with the interim dividend of ₹1.90 (190%) per equity share paid on 16th March, 2020, the total dividend for the financial year ended 31st March, 2020 aggregates to ₹2.20 (220%) per equity share of ₹1/- each. Final dividend is subject to approval of the shareholders.

MANAGEMENT DISCUSSION AND ANALYSIS

PAINT INDUSTRY STRUCTURE AND DEVELOPMENT

The Indian paint industry can be broadly divided into two segments – decorative and industrial. Decorative paints include higher end acrylic exterior and interior emulsions, medium range exterior and interior paints, low end distempers, wall putty, wood coatings, cement paints, primers and thinners. These account for almost 70% of the paint market in India. Decorative paints can be either water based or solvent based, the latter being commonly known as enamels. The category share of water based paints (or emulsions) is on the rise in India owing to superior aesthetics, durability, washability and environmental reasons. Solvent based paints or enamels continue to attract attention in certain traditional market segments though the percentage share of overall paint consumption in both volume and value terms seem to be on the decline.

Industrial paints essentially comprise general industrial, automotive, protective, powder, glass, can and pipe coatings. The Company is present in all these areas. In addition, there are niche segments such as coil coatings, automotive refinish coatings and marine coatings and the Company deals with many of these through its subsidiaries, joint ventures and strategic alliances.

During the year, India's economic growth slowed down somewhat to about 4.2%. In the final quarter, the growth rate of domestic product fell to 3.1%, reflecting an impact of the first week of COVID 19 lockdown which began on 25th March, 2020. The markets were already affected before the lockdown due to the doubts surrounding the situation. In spite of a lower overall growth and sharp lockdown related decline at the end of the year, the Company and the paint industry performed reasonably well. The good news is that the agricultural sector picked up steam in the last quarter, growing at 5.9% and once the unprecedented crisis is over and the world settles down, with Government expenditure, particularly in the infrastructure sector, supporting the economy, the industry will look forward to a steady recovery and release of pent up demand.

Going forward, especially with the lockdown due to the COVID 19 pandemic, the growth will be dependent on a number of factors like disposable income in the hands of the public, urbanization, economic development, satisfactory monsoons, the volatility affecting raw material prices including crude oil, growth in infrastructure and possible recovery in the real estate and automobile sectors. With the Government's initiative on affordable housing and spending on infrastructure, it is expected that the paint industry will try and keep up with the projections made earlier and further innovate new ranges of products so that it can keep pace with the growth achieved during the past few years. Additionally, being a strong competitive market, the players are utilizing different strategies to tap demand in the market for a larger share. The reduction in GST rates on paints in 2018 had a positive impact on demand. The benefits extended by the Government of India offering corporates the option to avail of reduced tax rates are expected to yield further results. The paint and coating business is expected to grow and new technologies are also expected to evolve which should contribute to better per capita consumption of paints in India.

The Industrial paints businesses serve various industrial customers including automobiles, utility vehicles such as tractors, general industrial goods, machinery and household equipment such as fans, washing machines, refrigerators and consumer durables, structures and pipelines, power plants and large factories and installations, steel, glass and every other items of daily use. These largely depend on the growth of the manufacturing and infrastructure sectors. While there were signs of fatigue in the automotive sector, other industrial consumers performed well and the Company believes that once the current uncertainties are overcome, there will be a rebound in growth. India became the world's fifth largest economy last year, according to data from various reports. When ranked by nominal GDP, the country leapfrogged both France and the UK. This will look particularly dramatic if we remember that as recently as 2010, India was in 9th place, trailing countries such as Brazil and Italy and since 1995, the country's nominal GDP has jumped more than 700 per cent. This has been fueled by a number of factors, including urbanization and technologies that have improved efficiency and productivity. Paints are an inseparable part of the overall growth and given a relentless drive towards a better future, the demand should continue to favour the industry in the long term.

COMPANY'S OPERATIONS

The CAGR of EBIDTA was 16.8% over the last five years (FY 2015-2016 to FY 2019-2020). The Decorative business contributed the most to this achievement. Protective Coatings business also did well and Powder Coatings business recorded a positive growth in the year under review. The Company's General Industrial and Automotive earnings came under pressure, particularly in the second half of the year, impacted by the overall lack of demand in the automotive sector. The Company continued its pursuit for introducing new and innovative products through research and development, recasting its marketing strategies designed to suit specific sectors and areas, launch new product lines and serve opportunities with specific programmes to identify and address market needs through tailor-made solutions.

In the Decorative business, new products were well received in the market and contributed to the overall growth of the business line. This business can be broadly classified into the following categories - interior wall coatings, exterior wall coatings, metal finishes, wood finishes, undercoats and construction chemicals. Some of the premium exterior emulsions introduced earlier continued their strong run in the market. These include WeatherCoat Anti Dustt, WeatherCoat Long Life, WeatherCoat All Guard and WeatherCoat Smooth. The benefits of WeatherCoat Anti Dustt and WeatherCoat Long Life with 10 year guarantee were acknowledged by the market. Superior resistance to dust on account of advanced dust guard technology, long lasting protection against exterior wall issues, absence of stains and black strike marks and a rich soft sheen finish and its suitability for dusty and dry areas have made WeatherCoat Anti Dustt a popular product. WeatherCoat Long Life, with a high sheen, has been proven to be suitable for heavy rainfall areas. The interior emulsion offerings include Silk Glamour, Silk Luxury Emulsion, Easy Clean and Easy Clean Fresh. Easy Clean Fresh has a rich, luxurious finish backed up by cross-linking polymers. Other Decorative coatings products, including the Luxol line of solvent based paints and wood coatings, performed well. The year under review witnessed introduction of a newly formulated product - Silk BreatheEasy under the popular Silk brand of luxury interior wall coatings. Silk BreatheEasy comes in the anti-pollution paint category and is loaded with certified features like being anti-bacterial (99% efficacy against over 29 strains) and abatement of harmful formaldehyde, sulphur oxides and nitrogen oxides. It has the certification by the Singapore Green Label as a low VOC, "Green" paint. The Company is currently testing for anti-viral efficacy of Silk BreatheEasy. Another product introduced was the WeatherCoat Champ to cater to the requirement of a durable, value for money product. It is reinforced to enhance the tensile strength and weatherability of the paint film. Other new products developed were Luxol Xtra which economizes tinting cost and Luxol 7in1, a quick drying, high gloss, corrosion resistant, durable PU enhanced enamel aimed at consumers in high rainfall and coastal markets for protecting metal grills, gates, shutters, etc.

The Company's construction chemicals business continued to grow at a rapid pace with introduction of new products in the last two years. The Company's waterproof putty, with unique hydrophobic properties, continued to be appreciated by the customers. The Company launched new products like Wall Shield 2k, a white cement based product with high waterproofing ability and crystalline effect and Damp Shield Elasto, a high-build barrier coat for extended durability of paint with 200% elongation, anti-carbonation property and 7 years exterior waterproofing warranty. Water proofing business has considerable growth potential and the Company, along with its subsidiary STP Ltd., is taking all measures to become a leading player in this segment.

The Company's pioneering home painting solutions business under the style Berger Express Painting™ endeavours to make home painting a hassle free, end to end solution for the customers and is drawing good response across the country. The Company has adopted various new tools and methods to make the process beneficial and cost-effective for the end customer. From a platform of "FASTER, CLEANER & BETTER" it has transcended to "FASTER, CLEANER & SAFER" with the use of consumer app, safety kits, protective equipment, cleaners, sanitizers and disinfectants by the painters for protection against spread of infection. The Company's Prolinks Business, aimed towards painting of large housing projects, continued to grow satisfactorily.

The Company has just forayed into the Sanitizer and Home Hygiene space with the introduction of 'BreatheEasy Sanitizer' and 'BreatheEasy Floor Cleaner'. The common characteristic of all products under the "BreatheEasy" umbrella is to protect the consumers from germs, bacteria, viruses, etc., so that they can breathe easy.

The Company retained its position as the leader in Protective Coatings business in the country. The Business registered strong growth in sales and reached new levels in spite of surge in raw material prices and depressed industrial conditions during the year. The Business continues to supply paints to the OEM's, contractors, dealers and fabricators, in Government and railway infrastructural

projects and is widely accepted due to its quality and after sales services. As reported in the previous year, the Company's businesses of supply of fire proof coatings by itself as well as in collaboration with Promat International Limited NV of Belgium, with which it has a Memorandum of Understanding and supply of marine coatings in terms of its Memorandum of Understanding with Chugoku Marine Paints, Ltd of Japan were satisfactorily enhanced.

The General Industrial & Automotive paint business managed to identify potential customers with whom business has started. The General Industrial business line performed comparatively better and the Company continued to address this segment with developed products and new applications. As reported last time, the Company commenced manufacturing epoxy CED resin and paste at one of its factories at Hindupur, Andhra Pradesh in collaboration with Nippon Paint Automotive Coatings Co., Ltd of Japan ("NPAU") which is known for its quality.

The Powder coatings business registered decent growth and is expected to do better this year by concentrating on improvements in productivity, higher value added sales, developing new and innovative products, tested and certified by accrediting agencies, moving into new segments, focusing on special areas having potential and exploring new avenues of exports and reduction of costs.

The Manufacturing services supported the growing needs by catering to the demands of the businesses with adequate and timely supply from all the factories with improved productivity. Dedicated workforce with upgradation of equipment, process improvement and continuous refinement of technology, installation of energy management systems, designing methods to reduce costs especially energy costs, training and re-training, implementation of best practices and refurbishment of storage facilities allowing higher and more organized capacities were few of the enablers. As a continuous practice, housekeeping, safety and environment were emphasized and monitored round the clock during the year. The Vallabh Vidyanagar plant ("VVN") belonging to Beepee Coatings Private Limited, a wholly owned subsidiary of the Company, received Environment Award organized by Greentech Foundation, New Delhi, National Energy Efficiency Circle Award organized by CII, New Delhi, Occupational Health and Safety Award organized by Indian Chamber of Commerce, Kolkata, National Award for Excellence in Water Management organized by CII-Triveni Water Institute, New Delhi, National Energy Conservation Award organized by Ministry of Power and Bureau of Energy Efficiency. The Human Resources team at the VVN plant received HR Convention Award "Creating a Quality Centric Role of HR" organized by Quality Council Forum of India, Vadodara Chapter. The Jammu plant received Appreciation Certificate in large business category from ICC Environment Excellence Award 2019 - Greentech Environment Award, 2019 and Greentech Safety Award, 2019 from Greentech Foundation.

The positive effects of softening of crude oil prices were partially offset by a depreciating Rupee and increase in prices of some of the raw materials, especially during the second half of the year. The Company's efforts of vendor development and raw material substitution were supplemented by enhancement of systems and processes, continuous coordination and collaboration with suppliers and strengthening of processing capabilities of emulsions and resins.

Striving for innovation to achieve differentiated and value-added products is the core of the Research and Development (R & D) function. Since last few years, R & D had been working on many unique technology platforms to bring in new products for various applications. Pollution scavenging and anti-bacterial performance of interior coatings, high dirt pick up resistant exterior coatings, air drying anti-yellowing resin, mono coat systems for industrial surfaces, polyurethane finish to extend service life of construction equipment being some of them. These concepts and technologies got their final shape in the year 2019-2020. Various new products were launched during the year which were the result of these new ideas. Many new industrial products were also developed. There were significant breakthroughs/ opportunities achieved in the form of pollution abatement technology for architectural paints, anti-bacterial acrylic paint for interior wall application, development of direct to metal finish for industrial coatings and automotive application and a few others. The process of invention and development is an ongoing exercise in R & D and the Company expects many more interesting outcomes from the Function in the future.

FOCUS AND OUTLOOK FOR 2020-2021

As mentioned earlier in this report, there was some slowing down in the economic growth during the year – but the Company's overall growth in revenue continued unabated and would have recorded further improvements but for the year-end market disruptions arising out of the COVID 19 pandemic. It is necessary to keep in view that the global growth in the year 2019 is estimated at 2.9 per cent and in spite of strong external headwinds, the country continued on its growth path and the paint industry, as a whole, continued to push the boundaries of innovation and use.

At the time of this writing, the entire world is in the throes of a pandemic which is unprecedented in its nature at least in the last 100 years but the fact that the Central and the State Governments, their agencies, the industry and the people of India have together strived to keep the wheels of economy turning speaks volumes about the country's ability to unitedly overcome major crises. The Government has implemented a number of stimulus measures. Besides, steps taken by the Reserve Bank of India like reducing the repo rate by a further 40 basis points to 4%, extending the moratorium period and facilitating working capital financing will also help stimulate the momentum. Any fiscal stimulus will give a leg up to the industry and will help both GDP and household income. It is hoped that the efficacy and duration of all these measures will be sufficient to ensure a steady supply and importantly, a recovery in demand. To a large extent, it will also be up to the industry, both in the private and public sector, to rise to the challenges and create opportunities for increase in demand. As regards the agriculture sector, it has performed better than the other sectors, has been relatively lesser affected by the pandemic so far and is likely to once again contribute to the country's recovery – with the necessary support – for which a number of actions have been taken by the Government. Forecasts of a normal monsoon adds to the optimism. If the Rabi crop harvest pans out as estimated, it will boost the rural wage growth and demand.

The Company's strength lies in the quality of its products, the vast repository of experience and knowledge among its employees and stakeholders who participate in the business, the confidence in the entire supply chain and the trust that it has generated over the years among the customers and the painting community. The Company's operations cover the entire panoply of the coatings industry and it will continue to focus on its existing business. Based on the reaction so far, the Company believes as and when the infection rate of COVID 19 wanes, India will bounce back to daily normal life and will set out to complete the pending tasks – which will include painting of houses, infrastructure, industrial equipment and white goods, among others. The Company will thus continue to attend to its reach in terms of customers and geography and product diversity.

At the same time, the COVID 19 attack has taught us to be vigilant about self-care and cleanliness at home and at workplace. Regular painting of houses has been a part of tradition also – probably to ward off microbes, insects and vermin. In the recent past, there has been additionally a marked interest towards aesthetics. The Company will cater to these needs as warranted by economic position, demography, geographical location and other preference patterns.

While the demand for protective, general industrial and powder coatings is expected to revive on the back of pent up demand and infrastructural investments, automotive sector, which was lagging behind in the year 2019-2020, may take some time to come round. However, the Company will be vigilant in all these areas and is prepared to cater to the needs of the industry, as and when the same is required.

With the increase in demand of hand sanitizers in the post COVID 19 scenario, the Government had reached out to various established players with a reputation of supplying quality products and having a strong distribution network to manufacture hand sanitizers in the time of shortfall. There was also a demand among the Company's customers and the painting fraternity of such products. As mentioned earlier, the Company has risen to the challenge and within the shortest possible time had started supplying BreatheEasy+ Hand Sanitizers in the market. The Company is entering into the Home Hygiene segment too as an extension of the BreatheEasy brand. Since painting involves activities inside and outside houses over a long period of time, these are considered to be an extension and an integral part of the Company's existing business.

PROJECTS

The capacity of the epoxy CED resin and paste project set up at Hindupur with technical support from NPAU was enhanced by 600 MT per annum in February, 2020.

The Powder coating manufacturing capacity at Jejuri was expanded from 2,400 MT per annum to 4,200 MT per annum in August, 2019. Facilities are put up for manufacture of sag control resin, an important intermediary at the same place. The expansion projects in regard to automotive, industrial and protective coatings and resin manufacturing capacity at Jejuri will be completed shortly, subject to obtaining all required statutory clearance from the Government authorities.

The colorant manufacturing facility with a capacity of 2,640 KL/MT per annum was commissioned at Rishra, West Bengal in February, 2020.

The water based paint manufacturing capacity at Rishra, West Bengal was increased from 36,000 MT per annum to 48,000 MT per annum in March, 2020.

The installation of water and solvent based decorative, industrial and protective coatings, resin, putty, emulsion and construction chemical manufacturing facility at Sandila Industrial Area in Uttar Pradesh is in progress. Subject to the Company obtaining all required consents and approvals in time, the Project is likely to be commissioned in the year 2022.

Apart from these, a number of projects for reducing cost of energy and fuel (like installing of solar power projects, use of bio briquette), spares and consumables and enhancing efficiency of equipment, installation of Automatic Storage and Retrieval Systems were either commissioned or are being implemented during the year.

OPPORTUNITIES AND THREATS

Though India is one of the world's largest economy, it has some way to go to catch up with the top three viz., China, the European Union and the United States of America. This is essentially an opportunity which affords tremendous potential of growth in view of its strengths, which include low cost of living, presence of well-educated technology workers, whose number is increasing, an increasing middle class who seek higher education and better quality of life, rising level of urbanization and understanding of English and international laws and customs.

These factors, coupled with many others, leads the Company to believe that once the short term difficulties are over, there will be an upsurge in India's consumer spending and economic growth. Such progresses have always been accompanied with growth in sectors like infrastructure, real estate, white goods, appliances, agricultural equipment, furniture and fixtures, automobiles, etc. All these need coatings and the Company is well poised to take benefit of the favourable demand swing, which it expects to take place in the medium term.

Moreover, arising out of turn of events in the international arena, there may be increasing interests in establishing global manufacturing and service centres in the country, which will of course need swift and flexible responses from the Government agencies and given a conducive environment, there is likely to be an additional demand pull from these industries also.

The Indian coatings industry will always attract attention of new investors. The only way to counter this is to always update the Company's competence in terms of technology, human resources, products, services and market presence – which are continuously addressed.

RISKS AND CONCERNS

The Company has a 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 framework for identification of risks inherent in the business operations of the Company, and devise mitigation methods in a dynamic manner and on a continuous basis which are periodically reviewed and modified considering the size and complexity of the business and the regulatory as well as business requirements. The Risk Management Policy has been renamed as Risk Management and Materiality Policy which can be viewed at the following web link: <https://www.bergerpaints.com/about-us/risk-management-policy.html>.

One of the biggest concerns of the country, the industry and the Company and indeed, the entire firmament, is the challenge posed by the COVID 19 pandemic. These have been addressed in a separate section on COVID 19 and has been disclosed to the Stock Exchanges under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations").

With the entire world grappling with the effects of COVID 19 attack, there will be some uncertainties in the areas of demand, supply of raw materials and foreign exchange rates. These will need flexibilities of operation, quick decision making. The Company continues to provide special attention to these areas.

IMPACT OF COVID 19

As required, the Company has made the necessary announcement under Regulation 30 of the Listing Regulations to the Stock Exchanges, dealing with the specific impact of COVID 19 on the Company and the Directors consider it necessary to record the latest position in this regard in their Report as under:

Indian operations:

- **Business:** The business operations were severely impacted from the middle of March 2020 till 4th May 2020 when the Company was able to resume business partially, particularly in the upcountry markets and smaller towns. Currently all the factories and most of the warehouses are functioning. However, these are subject to local regulations and orders.
- **Steps taken to ensure smooth and safe functioning of operations:** All facilities are regularly sanitized as per the recommendations of the respective Governments to ensure that work conditions are safe. All recommended procedures relating to monitoring of employees' body temperature, wearing of masks, enforcing social distancing, use of good hygiene practices have been implemented and are being adhered to.
- **Employees:** The safety of our employees are paramount and several measures have been undertaken to ensure their well-being and good health. All employees have been instructed to download the Aarogya Setu App launched by the Government of India. Where possible, staggered shifts have been implemented to ensure minimum interaction and proper social distancing.

- **Other Stakeholders:**

Payments to painters and painting contractors have been upfronted to the tune of ₹9.5 crore. The Company has also prioritized payments to its MSME vendors. The Company has initiated safety measures in its Express Painting service keeping customers' health and well-being in view. The Company has also undertaken appropriate CSR activities to help the cause.

- **Impact on capital and financial resources, cost reduction, assets, liquidity position, future operations:**

The Company continues to enjoy the highest rating for both short and long term borrowings by its rating agency.

The Company has initiated cost reduction and cash conservation measures to adjust to the new norms for business and is expected to come out of the pandemic and lockdown related challenges with improved efficiency and effectiveness in all aspects of the Company's operations.

The Company has made an initial assessment of the Company's liquidity and recoverability of its assets as at the balance sheet date of 31st March, 2020 and the likely impact of the lockdown on overall economic environment and paint industry, in particular, based on the current situation. Arising out of such assessment, the Company does not expect a material impact of COVID 19 on the Company's liquidity and future performance, as of the date of the Directors' Report.

- **Existing Contracts/agreements**

The Company is well positioned to fulfil its obligations and existing contracts and arrangements.

- **Non-fulfilment of obligations by any party**

The Company does not foresee any eventuality which will have significant impact on the business in case of non-fulfilment of any obligations by any party.

International Operations:

- The Company's largest international operations in Poland have been relatively less affected by the lockdown measures compared to other European countries since the products are largely consumed on construction sites, which, by and large, have continued to operate. The Company's subsidiary in Nepal has just resumed operations.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company's Internal Control Systems are commensurate with the nature, size and complexity of its business. The Board of Directors have laid down internal financial control measures to be followed by the Company and such policies and procedures have been adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to 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 and processes, risk assessment, a vigilant control function, communication and monitoring and an independent internal audit function are the foundation of the internal control systems. Internal Audit department provides assurance on functioning and quality of internal controls along with adequacy and effectiveness through periodic reporting. Internal Risk and Control function also evaluates organisational 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 interference, 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. 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	
	FY 2019-2020	FY 2018-2019	FY 2019-2020	FY 2018-2019
Debtors Turnover	10.05	9.41	9.19	8.89
Inventory Turnover (on material cost of goods sold)	2.91	3.27	2.97	3.30
Interest Coverage Ratio \$	28.71	21..53	19.77	17.20
Current Ratio	1.49	1.60	1.52	1..64
Debt Equity Ratio	0.08	0.09	0.20	0.20
Operating Profit Margin %	19.48	16.61	17.61	16.41
Net Profit Margin #	12.28	7.90	10.31	8.15
Return on Net Worth (RONW) @	28.08	19.44	25.71	21.40

\$ There was a 33.32% change in the Company's standalone interest coverage ratio. Increase in interest coverage ratio was due to increase in Profit before Interest and Tax (PBIT) on account of increase in other income from dividend.

There was a 55.42% change in the Company's standalone net profit margin as well as 26.50% change in Company's consolidated net profit margin. Increase in net profit margin was due to increase in other income from dividend.

@ The change in return on net worth was on account of increase in other income from dividend.

ACQUISITION OF EQUITY SHARES IN STP LTD.

During the year, the Company had acquired 1,88,63,180 equity shares of STP Ltd. representing 95.53% of the paid up equity share capital of a face value of ₹10/- each, at a consideration of ₹125.20 crore by virtue of a share purchase agreement entered into between the Company and STP Ltd. Most of these shares were acquired after the close of business hours on 31st October, 2019. The entire process of share purchase was completed in the month of November, 2019. The balance 4.47% of share capital remains with existing shareholders. STP Ltd. is thus a subsidiary of the Company. STP Ltd. is into the business of manufacturing and supplying construction chemicals, flooring compounds, bitumen and coal tar based products, sealants and adhesives, protective and anti-corrosive coatings, etc. These are specially formulated and have a strong brand image. STP Ltd. has six manufacturing units located in Chennai

(Tamil Nadu), Goa, Jamshedpur (Jharkhand), Kosi in Mathura (Uttar Pradesh), Hooghly (West Bengal) and Panoli (Gujarat). It has two R&D centers and offices and warehouses located all over India. The business and the expertise of STP Ltd. can significantly support the Company's existing construction chemicals, water proofing and protective coatings business where the two entities can complement each other in various areas such as manufacturing, selling, distribution, procurement, technology, etc., thus resulting in significant benefits to the group. The Company's intimation in this regard pursuant to Regulation 30 of the Listing Regulations to the Stock Exchanges can be viewed at the following web link : <https://www.bergerpaints.com/media/media>.

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 and the earlier scheme of 2010, the Compensation and Nomination and Remuneration Committee has granted 94,224 options on 09/11/2019 to 171 eligible employees (including 2,035 to Mr Abhijit Roy and 1,565 to Mr Srijit Dasgupta, being Key Managerial Personnel) and also allotted 90,069 equity shares of ₹1 each (face value) to eligible employees (including Key Managerial Personnel as per details below) upon exercise of their options earlier granted to them. The allotment of the aforesaid shares were made on 24th December, 2019.

In accordance with Rule 12 of the Companies (Share Capital and Debenture) Rules, 2014, the Company had allotted shares to Key Managerial Personnel (KMPs) on 24th December, 2019, on their exercising the options earlier granted to them and the details of the allotments made are given herein-

NAME OF KMPs	DESIGNATION	NO. OF EQUITY SHARES ALLOTTED
MR ABHIJIT ROY	MANAGING DIRECTOR & CEO	2,448 shares
MR SRIJIT DASGUPTA	DIRECTOR-FINANCE & CFO	1,883 shares
MR ANIRUDDHA SEN *	SR. VICE PRESIDENT & COMPANY SECRETARY	1,256 shares

* Mr Aniruddha Sen, Senior Vice President and Company Secretary retired from the services of the Company w.e.f. the close of business hours of 31st March, 2020.

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) Regulations, 2014 are enclosed.

Please also visit the weblink: <https://www.bergerpaints.com/investors/esop-disclosure.html> for disclosures under Regulation 14 of the aforesaid Regulations.

HUMAN RESOURCES

Berger Paints India Limited has been an organization which has always attracted and retained good talent. The Company continued on the same path providing a uniform platform to all its employees for contributing creatively towards the growth of its business. The culture that has been nurtured in the organization over years is unique as it has helped the Company to grow and create more value for its customers, stakeholders and employees. The Company has four strong pillars known as "Berger Values" i.e. Performance, Customer First, Ethical Practices and Valuing People - which are the foundation of its unique culture.

This year, the Company has embarked upon an approach to focus on talent acquisition to ensure that the Company is ready and fully resourced with talent as per its requirements at the entry level. This has been done across the country with a focus on frontline sales talent, to ensure availability of ready talent throughout the year. Going forward, the Company will, through focused training initiatives, strengthen its leadership pipeline for mid and senior level roles, both existing and anticipated as the business grows. The Human Resources team plans to leverage technology to digitize HR workstreams, thereby creating seamless employee experience and enhanced process efficiencies.

The number of people employed as on 31st March, 2020 was 3,600 (31st March, 2019:3,450). The Industrial Relations were generally satisfactory during the year.

Your Company wishes to put on record its deep appreciation of the cooperation extended and efforts made by all employees.

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, 2017 enforced Sections 124(6) and 125 of the Companies Act, 2013 ("the Act") read with the Investor Education and Protection Fund [IEPF] (Accounting, Audit, Transfer and Refund) Rules, 2016, 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 25th October, 2019, the Company had transferred 3,40,856 equity shares (0.04% of paid up capital) to the IEPF.

PREVENTION OF SEXUAL HARASSMENT

Your Company had framed a policy on Prevention of Sexual Harassment of Women at workplace pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 which commits to provide a workplace that is free from all forms of discrimination, including sexual harassment. The Policy can be viewed at the following weblink: www.bergerpaints.com/about-us/sexual-harassment-policy.html.

Pursuant to 134(3)(q) read with the Companies (Accounts) Rules, 2014, the Company has complied with the provisions relating to constitution of Internal Complaint Committee (ICC) under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. As per the Policy, any complaint received shall be forwarded to an Internal Complaint Committee ("ICC") formed under the Policy for redressal. The investigation shall be carried out by ICC constituted for this purpose. From the date of inception, there has been no such complaint received.

Till 19th September 2019, the ICC comprised the following members who had been reappointed by the Board for another period of 3 years with effect from 1st February, 2018 as per the Regulations:

1. Ms Rishma Kaur (Presiding Officer)
2. Mr Srijit Dasgupta
3. Mr Aniruddha Sen
4. Ms Suparna Mitra (NGO representative).

The ICC was reconstituted on 19th September, 2019 due to the inability of Ms Suparna Mitra to continue as a member of the Committee and accordingly, Ms Kakoli Dey, Assistant Director of Child In Need Institute CINI, an NGO representative, was appointed in place of Ms Mitra. Currently, the ICC comprises the following members:-

1. Ms Rishma Kaur (Presiding Officer)
2. Mr Srijit Dasgupta
3. Mr Aniruddha Sen
4. Ms Kakoli Dey (NGO representative)

SUBSIDIARY 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, Nepal (“BJN”) 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 UKRAINA 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 Insulations Thermique Exterieur SAS, France (“Soltherm France”).

Surefire Management Services Ltd., UK (“SMS”), (classified as a subsidiary in the year 2018-2019), is determined to be a joint venture of Bolix S.A., Poland with Agility Eco Systems Limited, UK, based on the criteria of joint control. Details in respect of SMS are provided in Part B of AOC-1 forming a part of the Financial Statements.

The Company has three other subsidiaries viz., Berger Rock Paints Private Limited (the other shareholder being Nippon Paint Automotive Coatings Co., Ltd, Japan), Berger Hesse Wood Coatings Private Limited (the other shareholder being Hesse Shares GmbH, Germany) and STP Ltd. The statement relating to the above companies as specified in Sub-Section (3) of Section 129 of the Act is attached to the Report and Accounts of the Company.

The performance of Beepee Coatings Private Limited was satisfactory, with a revenue from operations of ₹24.14 crore.

Berger Paints Cyprus Limited (“BPCL”) is a special purpose vehicle for the purpose of making investments in your Company’s interests abroad. So is Lusako Trading Limited.

Bolix S.A.(including its subsidiaries) also posted encouraging results with a revenue from operations of ₹274.40 crore.

During the year under review, BJN-Nepal showed good performance with a revenue from operations of ₹214.51 crore.

SBL Specialty Coatings Private Limited (earlier known as Saboo Coatings Private Limited) continued to perform well with a revenue from operations of ₹105.35 crore during the year 2019-2020.

The revenue from operations of Berger Paints Overseas Limited (“BPOL”) was ₹13.59 crore.

Berger Rock Paints Private Limited (“Berger Rock”), which had recently started operations, recorded revenue from operations of ₹8.29 crore during the year ended 31st March, 2020.

Berger Hesse Wood Coatings Private Limited (“BHWCP”) (earlier known as Saboo Hesse Wood Coatings Private Limited) recorded revenue from operations of ₹9.71 crore during the year ended 31st March, 2020.

STP Ltd. recorded revenue from operation of ₹173.57 crore during the year ended 31st March, 2020. Out of this, ₹77.75 crore, being the revenue generated after acquisition of its shares by the Company, has been considered for the purpose of consolidation of the Company’s financial statements.

Berger Becker Coatings Private Limited, the Company’s joint venture with Becker Industrifarg, Sweden, showed good performance with revenue from operations of ₹262.35 crore.

Berger Nippon Paint Automotive Coatings Private Limited (“BNPA”), the Company’s joint venture with NPAU, Japan posted revenue from operations of ₹155.04 crore. Its performance will improve once the overall automotive business picks up.

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.

Pursuant to Regulation 16(1)(c) of the 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 36 of the Listing Regulations and Section 136 of the Act 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 2019-2020.

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 the 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 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 30th May, 2018 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 ended 31st March, 2020 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 VI**. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

The Board of Directors re-appointed Messrs Anjan Kumar Roy & Co., Company Secretaries as the Secretarial Auditor to conduct audit of the secretarial records for the financial year 2020-2021 at its meeting held on 23rd June, 2020. An Annual Secretarial Compliance report as per Securities and Exchange Board of India circular dated 8th February, 2019 is also attached as **Annexure VII** 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).

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).

EXTRACT OF ANNUAL RETURN

The extract of the Annual Return of the Company as on 31st March, 2020 in Form MGT 9 in accordance with Section 92(3) of the Act, read with Companies (Management and Administration) Rules, 2014 (as amended), is available on the website of the Company at <https://www.bergerpaints.com/investors/annual-reports.html> and is set out in **Annexure III** to this Report.

BUSINESS RESPONSIBILITY REPORT

SEBI had made it mandatory to publish a Business Responsibility Report (BRR) by the top 1000 listed companies based on market capitalization in their Annual Report in terms of Regulation 34(2)(f) of the Listing Regulations with the stock exchanges. The Company accordingly complied with the requirement and had framed a Business Responsibility Policy in line with the suggested framework as provided by SEBI based on the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Businesses published by the Ministry of Corporate Affairs. The said Policy was adopted at the Board Meeting held on 30th May, 2017 and can be viewed at <https://www.bergerpaints.com/about-us/business-responsibility-policy.html>. Mr Abhijit Roy, Managing Director and CEO had been nominated as the Director responsible for implementing the Business Responsibility Policy and Mr Aniruddha Sen, Senior Vice President and Company Secretary had been nominated as the Business Responsibility Head. Mr Aniruddha Sen retired from the services of the Company w.e.f. the close of business hours on 31st March, 2020 and accordingly, automatically ceased to be the Business Responsibility Head from that date. Mr Arunito Ganguly has been appointed as the Vice President & Company Secretary w.e.f. 1st April, 2020 and has also been nominated as the Business Responsibility Head from that date. As required, the BRR for 2019-2020 is attached to this report as **Annexure IX**.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors wish to inform that the Audited Accounts containing Financial Statements for the financial year ended 31st March, 2020 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 in preparation of the Annual Accounts:

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

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, 2020.

The Policy is available at the following weblink: www.bergerpaints.com/about-us/remuneration-policy.html

QUALIFICATION OR RESERVATIONS IN THE STATUTORY/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.

SHARE CAPITAL

The Authorised Share Capital of your Company as on March 31, 2020 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 ₹97,13,11,260 divided into 97,13,11,260 equity shares of ₹1/- each and the subscribed and paid-up capital is ₹97,12,19,780 divided into 97,12,19,780 equity shares of ₹1/- each fully paid-up.

CREDIT RATING

During the year under review, CRISIL Limited has reaffirmed the credit rating of AAA for Bank Loan Rating (pronounced as Triple A) and A1+ credit rating as reaffirmed by CARE Ratings Limited for short term credit facilities in the form of Commercial Paper.

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 utilised by the recipient are provided in the standalone financial statement (please refer Notes 5a, 5b, 9a and 34 of the standalone financial statement).

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 had adopted the Related Party Transaction policy regarding materiality of related party transactions and also on dealings with Related Parties in terms of Regulation 23 of the Listing Regulations and Section 188 of the Act. The policy is available at the following weblink: <https://www.bergerpaints.com/about-us/rpt-policy.html>

Pursuant to the amended Listing Regulations, a policy on materiality of related party transactions and on dealing with related party transactions has to include clear threshold limit duly approved by the Board and such policy has to be reviewed by the Board once in every three years and updated accordingly. Accordingly, the Board had amended and adopted a new policy and the said policy had been uploaded on the website of the Company at <https://www.bergerpaints.com/about-us/rpt-policy.html>

All related party transactions have been carried out at arms' length basis in the ordinary course of business. There is no material related party transaction i.e. transaction exceeding 10% of the annual consolidated turnover as per the last audited financial statements of the Company or a transaction involving payments made to a related party with respect to brand usage or royalty, which exceed 5% of the annual consolidated turnover of the Company as per last audited financial statements of the Company, entered during the year by your Company and accordingly, the disclosure of Related Party Transaction as required under Section 134(3)(h) of the Act 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 Policy is available at the following web link: <https://www.bergerpaints.com/about-us/policy-determine-material-events.html>

POLICY FOR PRESERVATION OF DOCUMENTS

As per Regulation 9 of 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 following web link: <https://www.bergerpaints.com/about-us/policy-preservation-documents.html>

SIGNIFICANT CHANGES

During the financial year 2019-2020, no significant change has taken place which could have an impact over the financial position of the Company. However, during the year, as reported earlier in this Report, there was purchase of 95.53% of the equity shares of STP Ltd.

DIVIDEND

The total comprehensive income of the Company is ₹692.53 crore for the year 2019-2020.

Your Directors have recommended a final dividend of ₹0.30 (30%) per equity share of ₹1/- each for the financial year ended 31st March, 2020. Together with the interim dividend of ₹1.90 (190%) per equity share paid on 16th March, 2020, the total dividend for the financial year ended 31st March, 2020 aggregates to ₹2.20 (220%) per equity share of ₹1/- each. Final dividend is subject to approval of the shareholders at the ensuing Annual General Meeting. The total dividend, if the final dividend is approved, will absorb an amount of ₹251.20 crore (compared to ₹222.44 crore in the previous year), based on the current paid-up capital of the Company. The final dividend will be paid to those members holding shares in the physical mode whose names appear in the Register of Members as on 25th September, 2020 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 18th September, 2020.

In accordance with Regulation 43A of the Listing Regulations, the Company has formulated a Dividend Distribution Policy. The Dividend Distribution Policy is annexed to this Report (marked as **Annexure I**). The Policy is available at the following weblink: <https://www.bergerpaints.com/about-us/dividend-distribution-policy.html>

In terms of the provisions of Section 124 of the Act, your Company has transferred an amount of ₹48,28,397 (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 became due, i.e., for the year ended 31st March, 2012.

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, 2012.

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 VIII** of this report.

Foreign Exchange Earnings and Outgo

Foreign Exchange Earnings and Outgo of the Company are ₹6.00 crore and ₹714.37 crore respectively. Primarily, earnings were from exports and consultancy services and outgo was towards import payments.

Particulars of Employees

In terms of the provisions of Section 197(12) read with Rule 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 particulars of certain category of employees have been set out in **Annexure V** of this report.

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 a 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, 2020. 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 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 5th February, 2020 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 5th February, 2020.

After completion of internal evaluation process, the Board of Directors at its Meeting held on 5th February, 2020, 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/criteria-policy.html>

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 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 2019-2020.

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 10 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 5 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 seven Meetings of the Board of Directors of the Company were held, i.e., on 16th April, 2019, 30th May, 2019, 5th August, 2019, 15th October, 2019, 5th November, 2019, 5th February, 2020 and 18th February, 2020. Also, the Board of Directors have passed 9 (nine) Resolutions by Circulation. Details of Board composition and Board Meetings held during the financial year 2019-2020 have been provided in the Corporate Governance Report – **Annexure X** which forms part of this Annual Report.

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/retirement/resignation
1.	Mr Kuldip Singh Dhingra	Non-Executive, Chairman/ Promoter (Non-Independent)	Mr Kuldip Singh Dhingra (DIN:00048406), Non-Executive Chairman, Non-Independent Director of the Company retired by rotation and was re-appointed pursuant to Section 152(6) of the Act at the 95th Annual General Meeting held on 5th August, 2019.
2.	Mr Gurbachan Singh Dhingra	Non-Executive, Vice Chairman/ Promoter (Non-Independent)	Mr Gurbachan Singh Dhingra (DIN: 00048465) Non-Executive Vice Chairman, Non-Independent Director of the Company retired by rotation and was re-appointed pursuant to Section 152(6) of the Act at the 95th Annual General Meeting held on 5th August, 2019.
3.	Mr Naresh Gujral	Non-Executive (Independent Director)	Mr Naresh Gujral (DIN: 02878434) Non Executive - Independent Director of the Company was re-appointed for a second term as an Independent Director of the Company for 5 consecutive years with effect from 19th August, 2019 at the 95th Annual General Meeting held on 5th August, 2019 pursuant to Section 149(10), 150 and 152 read with Schedule IV of the Act and Regulation 16 of the Listing Regulations.
4.	Mrs Sonu Halan Bhasin	Non-Executive (Independent Director)	Mrs Sonu Halan Bhasin (DIN 02872234) was appointed as a Non-Executive - Independent Director for a period of five consecutive years with effect from 1st February, 2019 in accordance with Sections 149 and 160 of the Act and Regulation 17(1)(a) of Listing Regulations, pursuant to shareholders' resolution passed at the 95th Annual General Meeting held on 5th August, 2019.
5.	Mr Anoop Hoon	Non-Executive (Independent Director)	Mr Anoop Hoon (DIN: 00686289) was appointed as a Non-Executive - Independent Director for a period of five consecutive years with effect from 1st February, 2019 as per Sections 149 and 160 of the Act with effect from 1st February, 2019, pursuant to shareholders' resolution passed at the 95th Annual General Meeting held on 5th August, 2019.
6.	Ms Rishma Kaur	Executive Director	Ms Rishma Kaur (DIN: 00043154) was re-appointed as an Executive Director for a period of five consecutive years with effect from 3rd August, 2019 pursuant to Section 152(6) and 160 of the Act at the 95th Annual General Meeting held on 5th August, 2019.
7.	Mr Kanwardip Singh Dhingra	Executive Director	Ms Kanwardip Singh Dhingra (DIN: 02696670) was re-appointed as an Executive Director for a period of five consecutive years with effect from 3rd August, 2019 pursuant to Section 152(6) and 160 of the Act at the 95th Annual General Meeting held on 5th August, 2019.
8.	Mr Dharendra Swarup	Non-Executive (Independent Director)	Mr Dharendra Swarup (DIN: 02878434) had tendered his resignation as a Non-Executive, Independent Director of the Company with effect from 13th June, 2019 expressing his inability to devote time towards the Company. The Board recorded its sincere appreciation and gratitude for the services rendered and guidance provided by him during his tenure as a member of the Board and as the Chairman of the Audit Committee.

Sr No.	Name of Director	Designation & Category	Reason and date of appointment/reappointment/retirement/resignation
9.	Mr Kamal Ranjan Das	Non-Executive (Independent Director)	Mr Kamal Ranjan Das (DIN: – 00048491) ceased to be Non – Executive, Independent Director of the Company with effect from the close of business hours on 31st March, 2020 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 Das in several capacities for more than three decades and the guidance provided by him as a long standing member of the Board of Directors and member/ Chairman of the various Committee positions he held.
10.	Mr Gopal Krishna Pillai	Non-Executive (Independent Director)	Mr Gopal Krishna Pillai (DIN: 02340756) ceased to be Non – Executive, Independent Director of the Company with effect from 12th September, 2019 after completion of his tenure as an Independent Director of the Company. The Board recorded its sincere appreciation and gratitude for the services rendered and guidance provided by him during his tenure as a member of the Board and a member of the Audit Committee.
11.	Dr Anoop Kumar Mittal	Non-Executive (Independent Director)	Dr Anoop Kumar Mittal's appointment details are given below.

Details of Directors seeking appointment/reappointment at the ensuing AGM are as follows:

Sr No.	Name of Director	Designation & Category	Reason and date of appointment/reappointment/retirement/resignation
1.	Mr Kuldip Singh Dhingra	Non-Executive, Chairman/ Promoter (Non-Independent)	Mr Kuldip Singh Dhingra (DIN: 00048406), Chairman – Non Executive, Non-Independent Director of the Company is due to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment pursuant to Section 152(6) of the Act .
2.	Mr Gurbachan Singh Dhingra	Non-Executive, Chairman/ Promoter (Non-Independent)	Mr Gurbachan Singh Dhingra (DIN: 00048465), Vice Chairman – Non Executive, Non-Independent Director of the Company is due to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment pursuant to Section 152(6) of the Act .
3.	Dr Anoop Kumar Mittal	Non-Executive (Independent Director)	Based on the recommendation of the Compensation and Nomination and Remuneration Committee, the Board of Directors of the Company through a Resolution by Circulation dated 19th March, 2020 approved the appointment of Dr Anoop Kumar Mittal (DIN: 05177010) as an Additional Director of the Company with effect from 19th March, 2020 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. 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 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, 2020.

KEY MANAGERIAL PERSONNEL

Mr Aniruddha Sen, Senior Vice President and Company Secretary retired from the services of the Company with effect from close of business hours on 31st March, 2020 and Mr. Arunito Ganguly was appointed as the Vice President and Company Secretary of the Company with effect from 1st April, 2020 in compliance with the provisions of Sections 203 and 2(51) of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended) with effect from 1st April, 2020.

Mr Arunito Ganguly has also been appointed as the Nodal Officer under the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and designated as the Compliance Officer of the Company pursuant to the provisions of the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and all other applicable laws, rules and regulations pertaining to Securities and Exchange Board of India with effect from 1st April, 2020.

Mr Abhijit Roy (DIN: 03439064), Managing Director & CEO and Mr Srijit Dasgupta, Director – Finance and Chief Financial Officer (DIN: 03439076) and Mr Arunito Ganguly (FCS 9285) are the Key Managerial Personnel (KMP) of the Company.

Mr Aniruddha Sen continues as the Senior Vice President, Legal & Corporate Affairs.

STATEMENT OF DECLARATION BY INDEPENDENT DIRECTORS

The following are the Independent Directors of your Company as on 31st March, 2020:-

- 1) Mrs Sonu Halan Bhasin
- 2) Mr Anoop Hoon
- 3) Mr Naresh Gujral
- 4) Dr Anoop Kumar Mittal*
- 5) Mr Pulak Chandan Prasad.

* Appointed with effect from 19th March, 2020

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 confirms 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, 2020.

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)(iia) of the Companies (Accounts) Rules, 2014 (as amended).

Pursuant to Section 134(3)(m) of the Act read with the Companies (Accounts) Rules, 2014, 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 has 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 terms of reference of the Audit Committee has been duly approved by the Board of Directors.

The Company has reconstituted the Audit Committee due to the cessation of Mr Kamal Ranjan Das as a member of Board of Directors w.e.f. the close of business hours on 31st March, 2020. The details of the changes are given in the Report on Corporate Governance – **Annexure X**. The Board has accepted and implemented all recommendations of the Audit Committee.

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 in place for directors and employees of the Company through which genuine concern regarding various issues relating to inappropriate functioning of the organisation can be raised. The Whistle Blower Policy has been uploaded in the website of the Company at www.bergerpaints.com.

B. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Company has reconstituted its Corporate Social Responsibility Committee due to the cessation of Mr Kamal Ranjan Das as a member of Board of Directors w.e.f the close of business hours on 31st March, 2020. The details of the changes are given in the Report on Corporate Governance – **Annexure X**. Your Company has spent an amount of ₹16.79 crore during the financial year 2019-2020 as against its 2% obligation amounting to ₹13.48 crore, thereby exceeding its entire CSR obligation. The required details as specified in Companies CSR Policy Rules, 2014 are given in **Annexure IV**.

C. COMPENSATION AND NOMINATION AND REMUNERATION COMMITTEE

The Company has reconstituted the Compensation & Nomination & Remuneration Committee due to the cessation of Mr Kamal Ranjan Das as a member of Board of Directors w.e.f the close of business hours on 31st March, 2020. The details of the changes are given in the Report on Corporate Governance – **Annexure X**.

D. SHAREHOLDERS' COMMITTEES

The Company has reconstituted its Shareholders' Committees due to the cessation of Mr Kamal Ranjan Das as a member of Board of Directors w.e.f close of business hours on 31st March, 2020. The details of the changes are given in the Report on Corporate Governance – **Annexure X**.

E. BUSINESS PROCESS AND RISK MANAGEMENT COMMITTEE

The Company has reconstituted its Business Process and Risk Management Committee due to the cessation of Mr Kamal Ranjan Das as a member of Board of Directors w.e.f close of business hours on 31st March, 2020. The details of the changes are given in the Report on Corporate Governance – **Annexure X**.

Structure of the Board of Directors

Name of Directors	Non-executive	Executive	Independent	Lady
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 Kamal Ranjan Das**	Y	N	Y	N
Mr Gopal Krishna Pillai #	Y	N	Y	N
Mr Dharendra Swarup @	Y	N	Y	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 Kamal Ranjan Das ceased to be a director of the Company w.e.f. close of business hours on 31st March, 2020.

Mr Gopal Krishna Pillai ceased to be a director of the Company w.e.f. 12th September, 2019.

@ Mr Dharendra Swarup resigned as a director of the Company w.e.f. 13th June, 2019.

* Dr Anoop Kumar Mittal was appointed w.e.f. 19th March, 2020.

FAMILIARIZATION 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 Familiarization 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/about-us/familiarization-program.html>.

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	3.18:1	80.00
Mr Gurbachan Singh Dhingra	10,00,000	1.77:1	0.00
Mr Abhijit Roy	3,91,45,702 *	69.30:1	30.03
Mr Kanwardip Singh Dhingra	50,48,016	8.94:1	11.38
Ms Rishma Kaur	50,15,977	8.88:1	10.59
Mr Kamal Ranjan Das ^	3,00,000	0.53:1	0.00

Name of Directors/KMPs	Remuneration Received (₹)	Ratio as to that of the Median Employee	Percentage increase in Remuneration
Mr Pulak Chandan Prasad	-	-	-
Mr Naresh Gujral	7,20,000	1.27:1	0.00
Mr Dharendra Swarup @	-	-	-
Mr Gopal Krishna Pillai \$	-	-	-
Mr Anoop Hoon	7,20,000	1.27:1	0.00
Mrs Sonu Halan Bhasin	7,20,000	1.27:1	0.00
Dr Anoop Kumar Mittal #	-	-	-
Mr Srijit Dasgupta	1,65,07,478 *	29.22:1	11.13
Mr Aniruddha Sen +	1,21,23,552 *	21.46:1	12.54

* Remuneration does not include value of ESOP's granted.

^ Ceased to be a Director of the Company w.e.f. the close of business hours of 31st March, 2020.

@ Resigned as a Director of the Company w.e.f. 13th June, 2019.

\$ Ceased to be a Director of the Company w.e.f. 12th September, 2019.

Appointed as a Director w.e.f. 19th March, 2020.

+ Retired as Sr Vice President and Company Secretary (and KMP) w.e.f. close of business hours of 31st March 2020.

Note – The median employee remuneration for 2019-2020 is: ₹5,64,875.00 p.a.

- Percentage (%) increase in remuneration during the financial year 2019-2020: Please see (1) above.
- Percentage (%) increase in the median remuneration of employees during the financial year 2019-2020: 3.37%
- Number of permanent employees on the rolls of the Company as on 31st March, 2020: 3,600
- 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 10.32% as compared to an average percentile increase of 25.62% of managerial remuneration. The increase of managerial remuneration is based on growth criteria.
- 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	69 Lakhs
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	31 Lakhs

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 2019-2020 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 23rd June, 2020 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 and the factories of British Paints division located at Hindupur and Nalbari for the financial year 2020-2021. 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 the factories of British Paints division located at Jammu, Sikandrabad and Surajpur for the financial year 2020-2021.

The cost audit reports for the financial year 2018-2019 were filed on 19th December, 2019 on receipt of advice from the Ministry of Company Affairs as to the formats and enabling gateways.

STATUTORY AUDITORS

The Statutory Auditors, Messrs. S. R. Batliboi & Co. LLP, Chartered Accountants, (ICAI Firm Registration No. 301003E/E300005) was appointed pursuant to the provisions of Sections 139, 142 of the Act and the Rules made thereunder from the conclusion of the 91st Annual General Meeting upto the conclusion of the 96th Annual General Meeting of the Company scheduled to be held in this financial year (2020-2021). The Auditors, Messrs. S. R. Batliboi & Co. LLP, Chartered Accountants, will retire at the conclusion of the ensuing Annual General Meeting and, being eligible under Section 139(2) of the Act, offer themselves for re-appointment. The Board, based on the recommendation of the Audit Committee and subject to the approval of the shareholders, recommended the re-appointment of Messrs. S. R. Batliboi & Co. LLP, Chartered Accountants, based on their furnishing eligibility certificates confirming their eligibility to continue as auditors of the Company in terms of the Section 141 of the Act and the rules framed thereunder, from the conclusion of the 96th Annual General Meeting till the conclusion of 101st Annual General Meeting and accordingly, the same forms a part of the business as contained in the Notice convening the ensuing Annual General Meeting.

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, changes in government policies, government laws, tax regimes, global economic developments and other factors such as 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: 23rd June, 2020