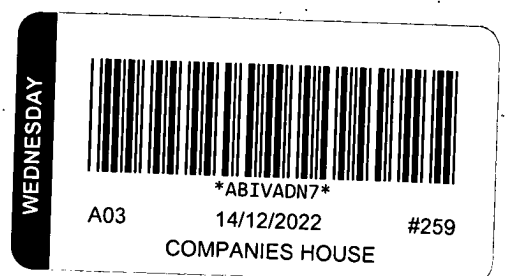


Registered number: 02226019

JENSON & NICHOLSON (ASIA) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

· FOR THE YEAR ENDED 31 MARCH 2022



JENSON & NICHOLSON (ASIA) LIMITED

COMPANY INFORMATION

Directors	Sunil P Sheth Jean C Loutreuil Dipti Dhingra
Company Secretary	Sunil P Sheth
Registered number	02226019
Registered office	10 Queen Street Place London EC4R 1AG
Independent auditors	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG

JENSON & NICHOLSON (ASIA) LIMITED

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JENSON & NICHOLSON (ASIA) LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2022**

BUSINESS REVIEW

The Company has continued to be a nominee shareholder company and has not traded in the year.

PRINCIPAL RISKS AND UNCERTAINTIES

The risks and uncertainties for the Company, as a nominee, are considered to be negligible.

FINANCIAL KEY PERFORMANCE INDICATORS

The Company has not traded in the year and is not considered to have key performance indicators.

This report was approved by the board on 17 October 2022 and signed on its behalf:

Sunil Sheth

.....
Sunil P Sheth
Director

JENSON & NICHOLSON (ASIA) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2022

The directors present their report and the financial statements for the year ended 31 March 2022.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The Company's principal activity is that of a nominee company.

Going Concern

The Directors have reviewed the Company's forecasts, concluding that the going concern basis remains an appropriate basis of preparation for these financial statements given the likely cash flows 12 months from the date of signing this report.

Directors

The directors who served during the year were:

Sunil P Sheth
Jean C Loutreuil
Dipti Dhingra

JENSON & NICHOLSON (ASIA) LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

The auditors, Haysmacintyre LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 17 October 2022 and signed on its behalf.

Sunil Sheth

Sunil P Sheth
Director

JENSON & NICHOLSON (ASIA) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JENSON & NICHOLSON (ASIA) LIMITED

Opinion

We have audited the financial statements of Jenson & Nicholson (Asia) Limited (the 'Company') for the year ended 31 March 2022, which comprise the Profit and Loss Account, the Statement of Financial Position and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2022 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

JENSON & NICHOLSON (ASIA) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JENSON & NICHOLSON (ASIA) LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are 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 the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

JENSON & NICHOLSON (ASIA) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JENSON & NICHOLSON (ASIA) LIMITED (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' 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 ISAs (UK) 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 financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries.

Audit procedures performed by the engagement team included:

- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities; and
- Identifying and testing risky or unusual journals;

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Gareth Ogden

Gareth Ogden (Senior Statutory Auditor)

for and on behalf of
Haysmacintyre LLP

Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

17 October 2022

JENSON & NICHOLSON (ASIA) LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022**

The Company has not traded during the year or the preceding financial year. During these periods, the Company received no income and incurred no expenditure and therefore made neither profit or loss.

JENSON & NICHOLSON (ASIA) LIMITED
REGISTERED NUMBER:02226019

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022

		2022 £	2021 £
	Note		
CURRENT ASSETS			
Debtors: amounts falling due within one year	5	697	1,000
Cash at bank and in hand		303	
		<u>1,000</u>	<u>1,000</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,000</u>	<u>1,000</u>
NET ASSETS		<u><u>1,000</u></u>	<u><u>1,000</u></u>
CAPITAL AND RESERVES			
Called up share capital	6	<u>1,000</u>	<u>1,000</u>
		<u><u>1,000</u></u>	<u><u>1,000</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 17 October 2022.

Sunil Sheth

.....
Sunil P Sheth
 Director

The notes on pages 9 to 11 form part of these financial statements.

JENSON & NICHOLSON (ASIA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1. GENERAL INFORMATION

Jenson & Nicholson (Asia) Limited (registered number 02226019) is a private company limited by shares, incorporated in the UK, and registered in England & Wales. Its registered office is 10 Queen Street Place, London, EC4R 1AG.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 4).

2.2 FINANCIAL REPORTING STANDARD 102 - REDUCED DISCLOSURE EXEMPTIONS

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d).

This information is included in the consolidated financial statements of UK Paints India Limited as at 31 March 2022 and these financial statements may be obtained from the Registrar of Companies in India, on the payment of the appropriate fee.

2.3 EXEMPTION FROM PREPARING CONSOLIDATED FINANCIAL STATEMENTS

The Company is a parent Company that is also a subsidiary included in the consolidated financial statements of its ultimate parent undertaking established under the law of a non-EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 401 of the Companies Act 2006.

2.4 GOING CONCERN

The Directors have reviewed the Company's forecasts, concluding that the going concern basis remains an appropriate basis of preparation for these financial statements given the likely cash flows 12 months from the date of signing this report.

JENSON & NICHOLSON (ASIA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

2. ACCOUNTING POLICIES (CONTINUED)

2.5 FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

The Company's functional currency is USD. This differs from the presentational currency which is GBP. The Directors consider the Company's functional currency to be USD as this is the currency in which the majority of the Company's cash receipts and payments are processed.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.6 DEBTORS

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

3. STATEMENT OF COMPREHENSIVE INCOME

The company is a registered holder of 140,656,782 ordinary shares of RS2 each in Berger Paints India Limited which are held as nominee for its parent company, BJN Holdings (I) Limited.

The company did not trade during the period and all its expenses are borne by the parent company.

There were no employees during the year. The Company's Directors oversee governance of the Company.

4. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying its accounting policies, the company is required to make certain estimates, judgements and assumptions that it believes are reasonable based on the information available. These judgements, estimates and assumptions affect the amounts of assets and liabilities at the date of the financial statements and the amounts of revenues and expenses recognised during the reporting periods presented.

On an ongoing basis, the company evaluates its estimates using historical experience, consultation with experts and other methods considered reasonable in the particular circumstances. Actual results may differ significantly from the estimates, the effect of which is recognised in the period in which the facts that give rise to the revision become known.

There were no accounting estimates or judgements required in the preparation of these financial statements under FRS102.

JENSON & NICHOLSON (ASIA) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

5. DEBTORS

	2022 £	2021 £
Amounts owed by group undertakings	697	1,000
	<u>697</u>	<u>1,000</u>

6. SHARE CAPITAL

	2022 £	2021 £
Allotted, called up and fully paid		
2 (2021 - 2) Ordinary shares shares of £1.00 each	2	2
998 (2021 - 998) 10% Non-cumulative Preference shares shares of £1.00 each	998	998
	<u>1,000</u>	<u>1,000</u>

7. CONTROLLING PARTY

UK Paints (India) Private Limited, registered in India, is regarded by the directors as being the Company's ultimate parent company and controlling party.

The company is exempt from preparing group accounts as its accounts are included in the consolidated accounts of U.K. Paints (India) Private Limited, registered in India.

J. C. BHALLA & CO.
CHARTERED ACCOUNTANTS

BRANCH OFFICE : B-5, SECTOR-6, NOIDA - 201 301 (U.P.)
TEL. : +91 - 120 - 4241000, FAX : +91-120-4241007
E-MAIL : taxaid@jcbhalla.com

INDEPENDENT AUDITORS' REPORT

To the Members of U.K. Paints (India) Private Limited

Report on the Audit of the Consolidated Financial Statements

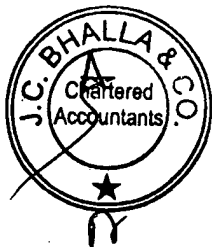
Opinion.

We have audited the accompanying consolidated Ind AS financial statements of **U.K. Paints (India) Private Limited** ("the Company") ("hereinafter referred to as the Holding Company") its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associates and jointly controlled entities, comprising of the consolidated Balance Sheet as at March 31, 2022, the consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated Statement of Changes in Equity and the consolidated Statement for Cash Flow for the year ended on that date, and notes to the financial statement including a summary of significant 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, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principle generally accepted in India, of the state of the affairs of the Group, its associates and jointly controlled entities as at March 31, 2022, its consolidated profit and total comprehensive income, its consolidated statement of changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group and its associates and jointly controlled entities in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's 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.



HEAD OFFICE : B-17, Maharani Bagh, New Delhi - 110065

Emphasis of Matter

Without qualifying our opinion, we draw attention to:

Refer to Note 43 regarding unrealized profit on the closing stock, as in the absence of quantification of the figures we are unable to comment on its impact on consolidated earnings.

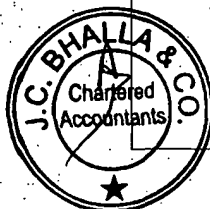
Refer Note 39 and 40 for the impact of differences in accounting policies.

Refer to Note 36(g) regarding certain unquoted investments valued at cost only instead of fair valuation, however, in the view of management the impact of the same on the consolidated financials are not material.

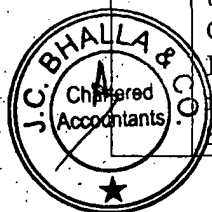
Key Audit Matters

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, 2022. These matters were addressed in the context of our audit of the consolidated financial statements, 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 matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matters	Auditor's Response
1	Revenue Recognition 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	Our audit procedures included the following: 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.' 2) We assessed the design and tested the operating effectiveness of internal controls related to sales and applicable rebates/discounts.



Sr. No.	Key Audit Matters	Auditor's Response
	<p>(variable consideration). The terms of sales arrangements, including the timing of the transfer of control, based on the terms of the relevant contract and the 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.</p>	<p>3) We performed a test for a sample of sales transactions by comparing the underlying sales invoices, sales orders, and other related documents to assess that revenue is recognized on a transfer of control to the customer in accordance with the terms of the contract.</p> <p>4) We tested on a sample basis rebates and discount schemes as approved by the management to assess its accounting. For the samples selected, we also compared that the actual rebates and discounts recognized in respect of particular schemes do not exceed their approved amounts.</p> <p>5) We tested on a sample basis, that revenue has been recognized in the proper period with reference to the supporting documents including confirmations from customers.</p> <p>6) We read and assessed the relevant disclosures made in the consolidated Ind AS financial statements.</p>
2	<p>Assessment of Impairment of Goodwill</p> <p>The Group has goodwill on acquisition in consolidated financial statements for the year ended March 31, 2022, including a 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, an impairment loss is recognized. The inputs to the impairment testing model which have the most significant impact on the CGU's recoverable value include: - Projected revenue growth, operating margins, and operating cashflows; - Stable long-term growth rates till</p>	<p>Our audit procedures included the following:</p> <p>1) Evaluated the design and implementation of key internal financial controls in relation to impairment assessment and tested the operating effectiveness of such controls.</p> <p>2) In respect of the goodwill recognized in the consolidated financial statements of a subsidiary, we made enquiries on audit procedures performed by the component auditor. The audit procedures carried out by the component auditor of the subsidiary include the following: a) Evaluated the methodology applied by the subsidiary in determining the CGUs to which goodwill is allocated. b) Verified the recoverable amount ascertained by the management of the subsidiary under Discounted Cash Flow method based on business projection and valuation assumptions. c) Discussed potential changes in key drivers as</p>



Sr. No.	Key Audit Matters	Auditor's Response
	<p>perpetuity; and - Discount rates</p> <p>Considering that the impairment assessment requires consideration of above inputs that involve significant management judgement, this has been identified as a key audit matter</p>	<p>compared to the previous year/actual performance with the management of the company to verify the inputs and assumptions used in the cash flow forecasts.</p> <p>3) In respect of the goodwill related to companies other than the above step-down subsidiary; we have performed the following procedures: 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. b) Involved specialists to assist us in the evaluation of impairment exercise carried out by the management.</p> <p>4) We performed a sensitivity analysis to determine the impact of changes in the key assumptions.</p> <p>5) We read and assessed the disclosures made in the consolidated Ind AS financial statements.</p>

Information other than the Consolidated Financial Statements and Auditor's Report thereon

The Holding Company's Board of Directors is responsible for the preparation and presentation of its report (hereinafter called as "Board Report") which comprises various information required under section 134(3) of the Companies Act 2013 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 Board Report 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 Board Report and in doing so, consider whether the Board Report is materially inconsistent with the consolidated financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If based on the work we have performed, we conclude that there is a material misstatement in this Board Report, we are required to report that fact. We have nothing to report in this regard.



Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Ind AS financial statements in terms of the requirement of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associates and jointly controlled entities 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 its associates, Joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and jointly controlled entities 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 Ind AS 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 Ind AS 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, its associates and joint venture are responsible for assessing the ability of the 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 respective company or to cease operations or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the group and its associates and jointly controlled entities are also responsible for overseeing the financial reporting process of the Group and its associates and joint venture

Auditor's Responsibilities for the Audit of Consolidated Financial Statements

Our Objectives are to obtain reasonable assurance about whether the consolidated Ind AS 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 aggregate, they could reasonably be expected to influence the economic decision 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 Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and to obtain audit evidence that is sufficient and appropriate to provide a

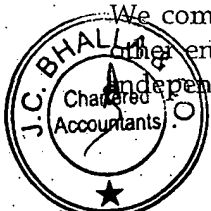


basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial 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 companies included in the Group and its associates and jointly controlled entities which is a company incorporated in India has adequate internal financial controls system 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 companies included in Group and its associates and jointly controlled entities to continue as a going concern. If we conclude that 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 conclusion is based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the companies included in Group and its associates and jointly controlled entities to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated Ind AS 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 and appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and jointly controlled entities of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated Ind AS 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 Ind AS financial statements of which we are the independent auditors. For the other entities included in the Consolidated Ind AS 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.

Materiality is the magnitude of misstatements in the consolidated financial statement that, individually or in aggregate, makes it probable that the economic decision of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factor in (i) planning the scope of our audit work; and (ii) to evaluate the effect of any identified misstatement in the financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS 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.

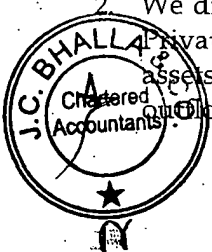
Other Matter

1. We did not audit the financial statements and other information of twelve (12) subsidiaries (including 5 step down subsidiaries) (Note: consolidated Berger Paints India Limited Financials which comprises of its direct & Indirect subsidiaries and Joint ventures entities is considered as a single entity in our counting), whose Ind AS financial statements reflect total assets of Rs.18909.57 crores and net assets of Rs.10720.94 crores as at March 31, 2022, total revenue of Rs.8188.53 crores and net cash inflows amounting to Rs.175.30 crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated Ind AS financial statements also include the group's share of net loss of Rs.1.75 Crores in respect of four associates, 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 Ind AS financial statements in so far as it relates to the amounts and disclosures included in respect of these above-mentioned entities and our report in terms of sub-section (3) and (11) of Section 143 of the Act insofar as it relates to the aforesaid above-mentioned entities, is based solely on the reports of the other auditors.

Some of these subsidiaries 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 Company's management has converted the financial statements of such subsidiaries 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 Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company which is audited by us.

Further, three Indian subsidiaries are Non-Banking Finance Companies (NBFC). Their financial statements are audited by other auditors under Indian GAAP, but the company's management has prepared Ind AS complied financial statements after making necessary adjustments. We have audited these conversion adjustments made by the company's management and our opinion in so far as it relates to the balances and affairs of such subsidiaries are based on the reports of other auditors issued under Indian GAAP and conversion adjustment prepared by the respective management of the companies which is audited by us.

2. We did not audit the financial statements of one direct subsidiary of U.K. Paints (India) Private Limited whose financial statements reflect total assets of Rs.36.58 crores and net assets of Rs.4.29 crores as at March 31, 2022, total revenue of Rs. 4.44 crores and net cash inflows amounting to Rs. -0.02 crores for the year ended on that date. The consolidated



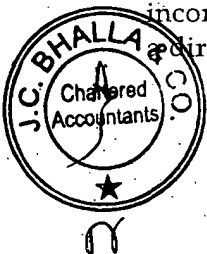
Ind AS financial statements also include the group's share of net loss of Rs.0.00 Crores in respect of one associate, whose financial statements, and other financial information have not been audited by us. Our opinion on the consolidated Ind AS financial statements insofar as it relates to the amounts and disclosures included in respect of these entities, and our report in terms of sub-section (3) and (11) of Section 143 of the Act insofar as it relates to the above-mentioned entities is based solely on such unaudited financial statements as certified by the management. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated Ind AS financial statements 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.

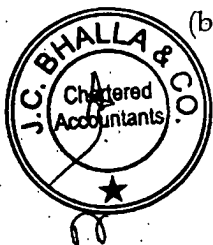
Report on Other Legal and Regulatory Requirement

As required by Section 143 (3) of the Act, based on our audit on the consideration of the report of the other auditors on separate financial statements and the other financial information of subsidiaries, associates and joint ventures, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- (a) We/the other auditors whose reports 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 purpose of our audit of the aforesaid consolidated Ind AS financial statements.
- (b) In our opinion, proper books of account as required by law relating to the 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.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement, and the Consolidated Statement of changes in equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of Consolidated Ind AS financial statements.
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015 as amended.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022, taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies and four direct associates incorporated in India, none of the directors of these respective companies, incorporated in India is disqualified as on March 31, 2022, from being appointed as director in terms of Section 164 (2) of the Act.



- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS Financial statements of the Holding Company and subsidiary companies, their jointly controlled entities, and direct associates, wherever applicable incorporated in India, refer to our separate report in "Annexure A" to this report.
- (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, associates and joint ventures incorporated in India, the managerial remuneration for the year ended March 31, 2022, has been paid/provided by the Holding Company, its subsidiaries, its associates, and joint ventures incorporated in India to their directors is in accordance with the provision of section 197 read with Schedule V to the Act, where applicable.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanation given to us based on the reports of other auditors on separate financial statements as also the other financial information of the subsidiaries, associates and joint ventures, as noted in the 'Other matter paragraph:
- i. Consolidated Ind AS financial statements disclose the impact, if any, of pending litigations as at March 31, 2022, on the consolidated financial position of the Group, associates & jointly controlled entities, Refer to Note 33(b) to the consolidated financial statements.
 - ii. The Group, jointly controlled entities and associate entities did not have any material foreseeable losses in long-term contracts including derivative contracts as at March 31, 2022.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, jointly controlled entities and its associates incorporated in India during the year ended March 31, 2022.
 - iv. (a) The respective Managements of the Group, its associates and jointly controlled entities which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group or any of such jointly controlled entities or associates to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group or any of such jointly controlled entities or associates ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (b) The respective Managements of the Group, its associates and jointly controlled entities which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the



aggregate) have been received by the Group or any of such jointly controlled entities or associates from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group or any of such jointly controlled entities or associates shall, 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.

- (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, associates and joint ventures incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any misstatement.
- v. The final dividend paid by the Group, its joint venture, and associates where applicable 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 dividends. As stated in Note 17 to the consolidated financial statements, the Board of Directors of Berger Paints India Limited (Subsidiary Company) has proposed a 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 the declaration of dividends.

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 the audit and to the best of our knowledge and belief and based on the consideration of the report of the respective auditor of the subsidiary company, joint venture & associate company incorporated in India, we state that:

There are no qualifications or adverse remarks by the respective auditor in the Companies (Auditors Report) Order (CARO) report of the subsidiary companies, associates, and joint ventures (incorporated in India) included in the Consolidated Financial Statements. Therefore, the requirement to report in terms of clause 3(xx) of the Order is not applicable to the Holding Company.

For J. C. Bhalla & Co.
Chartered Accountants
Firm's Registration No. 001111N

(Akhil Bhalla)
Partner

Membership No. 505002

UDIN: 22-505002-BDW3HD3

Place : New Delhi

Dated: September 28, 2022



Annexure A to Independent Auditors' Report

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 consolidated Ind AS financial statements of the company as of and for the year ended March 31, 2022, we have audited the internal financial controls over financial reporting of **U.K. Paints (India) Private Limited**, its subsidiary companies, its associate companies and jointly controlled companies which are incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its Subsidiary Companies, and its associate and jointly controlled entities 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.

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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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, issued by The Institute of Chartered Accountants of India and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 over financial reporting were 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, 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 Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting 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 control over financial reporting includes those policies and procedures that

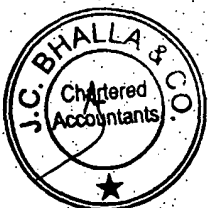
- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company.
- (2) provide reasonable assurance that transactions are recorded as necessary to permit the preparation of financial statements in accordance with generally accepted accounting principles, and those receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding the prevention or timely detection of unauthorized 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 over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

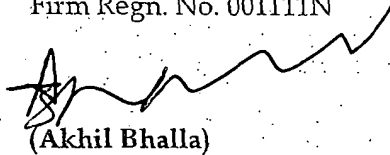
In our opinion to the best of our information and according to the explanations given to us, the holding Company, its subsidiary companies, and their jointly controlled entities & its associates which are incorporated in India has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, 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.



Other Matters

Our aforesaid reports under Section 143(x3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to 5 (five) Subsidiary Companies and 1 (one) Associate Company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For J. C. Bhalla & Co.
Chartered Accountants
Firm Regn. No. 001111N



(Akhil Bhalla)

Partner

Membership No. 505002

UDIN: 22505002BDW3HD3398

Place: New Delhi

Dated: September 28, 2022



UK PAINTS (INDIA) PRIVATE LIMITED
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2022
₹ in Crores

Particulars	Notes	As at 31-Mar-2022	As at 31-Mar-2021
ASSETS			
Non-current assets			
Property plant and equipment	4	2,050.58	1,934.48
Capital work-in-progress	4a	699.59	175.70
Investment Property	4b	58.48	58.21
Goodwill	4c	830.68	833.68
Other intangible assets	4d	19.27	13.20
Right-to-use assets	32	483.56	399.65
Intangible Asset under development	4da	0.48	-
Investments accounted for using the Equity Method	5	221.36	216.25
Financial assets			
(a) Investments	5a	1,019.29	1,015.62
(b) Loans	5b	6.22	-
(c) Other financial assets	5c	210.41	160.82
Deferred tax assets (Net)	13b	1.17	3.47
Other non-current assets	6	153.96	122.99
Income tax assets (net)		126.50	98.82
		5,881.55	5,032.89
Current Assets			
Inventories	7	2,761.43	1,923.17
Financial assets			
(a) Investments	8a	187.29	225.38
(b) Trade receivables	8b	1,240.16	1,193.23
(c) Cash and cash equivalents	8c	950.51	764.26
(d) Bank balances other than (c) above	8d	261.83	355.25
(e) Loans	5b	169.29	166.03
(f) Other financial assets	5c	79.38	100.66
Other current assets	6	249.06	165.04
		5,898.95	4,893.02
Total Assets		11,780.50	9,925.91
EQUITY AND LIABILITIES			
Equity share capital	9	2.53	2.53
Other equity	10	6,510.44	5,666.47
Equity attributable to the owners of the company		6,512.97	5,669.00
Non Controlling Interest	10	1,214.39	1,050.02
Total Equity		7,727.36	6,719.02



Particulars	Notes	As at 31-Mar-2022	As at 31-Mar-2021
Liabilities			
Non-Current Liabilities			
Financial liabilities			
(a) Borrowings	14a	9.89	165.71
(ai) Lease liabilities	14a	314.13	235.81
(b) Other financial liabilities	11	78.10	59.30
Provisions	12	13.93	13.13
Deferred tax liabilities (Net)	13a	91.27	85.18
Other non-current liabilities	15	5.79	5.91
		513.11	565.04
Current Liabilities			
Financial liabilities			
(a) Borrowings	14a	882.19	402.24
(ai) Lease liabilities	14a	81.59	71.56
(b) Trade payables	14b		
- Total outstanding dues of Micro, Small & Medium Enterprises		67.39	63.03
- Total outstanding dues of creditors other than Micro, Small & Medium Enterprises		2,130.37	1,762.83
(c) Other financial liabilities	11	161.31	147.42
Other current liabilities	15	100.72	89.30
Provisions	12	67.42	69.40
Income tax Liabilities (net)		49.04	36.07
		3,540.03	2,641.85
Total Liabilities		4,053.14	3,206.89
TOTAL EQUITY AND LIABILITIES		11,780.50	9,925.91

Significant Accounting Policies

3

The accompanying notes are an integral part of the financial statements.
As per our report on even date

As per our report of even date

For J.C. Bhalla & Co.

Chartered Accountants

Firm Regn. No. 001111N

For and on behalf of the Board of Directors of

U.K. Paints (India) Private Limited

Akhil Bhalla

Partner

Membership No. 505002

K.S. Dhingra

Director

DIN: 00048406

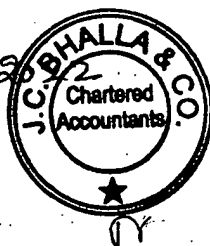
G.S. Dhingra

Director

DIN: 00048465

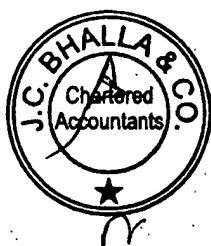
Place: New Delhi

Dated: September 28, 2022



UK PAINTS (INDIA) PRIVATE LIMITED
STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022
₹ in Crores

Particulars	Notes	Year Ended 31-Mar-2022	Year Ended 31-Mar-2021
Revenue from operations	18	10,750.94	8,356.77
Other income	19	122.72	106.33
Total Income		10,873.66	8,463.10
Expenses			
Cost of materials consumed	20	6,183.41	4,172.83
Purchases of traded goods		776.85	628.18
(Increase)/decrease in inventories of finished goods, work-in-process and traded goods	21	(419.23)	(175.78)
Employee Benefits Expenses	22	711.93	636.29
Finance Cost	23	63.88	50.98
Depreciation and Amortisation Expense	24	304.87	285.37
Other Expenses	25	1,887.64	1,592.45
Total Expenses		9,509.35	7,190.32
Profit Before share of joint ventures, associates, exceptional Items and tax		1,364.31	1,272.78
Share in Profit/(loss) of Joint Ventures		3.86	-5.61
Share in Profit of Associate		4.29	-0.84
Profit Before exceptional Items and tax		1,372.46	1,266.33
Exceptional Items	26	-18.25	-16.61
Profit Before Tax		1,354.21	1,249.72
Tax Expense			
Current tax	27(a)	455.52	366.96
Deferred Tax	27(a)	2.35	-4.26
		457.87	362.70
Profit for the year (I)		896.34	887.02
Other Comprehensive income:			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains and (losses) on defined benefit obligations		0.45	(1.02)
Income tax effect thereof	27(a)	(0.11)	0.28
Net fair value (loss)/gain on investments at FVTOCI		(5.60)	207.96
Income tax effect thereof	27(a)	(7.00)	(7.09)
Share of Other comprehensive income in Joint Venture (net of tax)		0.04	0.06
Share of Other comprehensive income in Associate (net of tax)		0.02	(0.12)
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		234.73	59.72
Other comprehensive income/(loss) for the year, net of tax (II)		222.53	259.79



Particulars	Notes	Year Ended 31-Mar-2022	Year Ended 31-Mar-2021
Total comprehensive income for the year, net of tax (I + II)		1,118.87	1,146.81
Other comprehensive income/(loss) for the year attributable to :			
Non-controlling interests		(3.55)	2.82
Equity holders of the parent		226.08	256.97
Profit for the year attributable to:			
Non-controlling interests		256.47	222.00
Equity holders of the parent		639.87	665.02
Earnings per Equity Share of ₹100 each	27(b)		
Basic		35,403.49	35,035.52
Diluted		35,403.49	35,035.52

Significant Accounting Policies

The accompanying notes are an integral part of the financial statements.

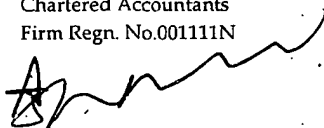
As per our report on even date

As per our report of even date

For J.C. Bhalla & Co.

Chartered Accountants

Firm Regn. No.001111N

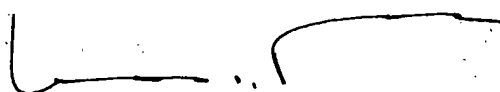


Akhil Bhalla

Partner

Membership No. 505002

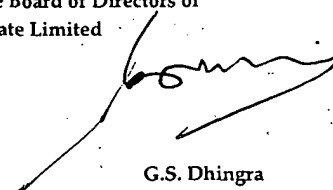
For and on behalf of the Board of Directors of
U.K. Paints (India) Private Limited



K.S. Dhingra

Director

DIN: 00048406



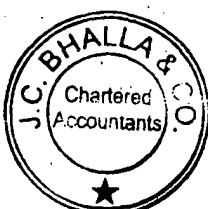
G.S. Dhingra

Director

DIN: 00048465

Place: New Delhi

Dated: September 28, 2022



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UK PAINTS (INDIA) PRIVATE LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

₹ in Crores

Particulars	Year Ended 31-Mar-2022	Year Ended 31-Mar-2021
A. Cash Flow from Operating Activities:		
Profit Before Tax	1,354.21	1,249.72
Adjustment to reconcile profit before tax to net cash flows :		
Depreciation and amortization expenses	304.88	285.36
Gain on early termination of leases	(1.26)	(2.04)
Loss/(Profit) on sale /discard of Property plant & equipment and Intangible assets	(13.60)	(6.21)
Employee Stock Compensation expenses	5.56	2.90
Unrealised foreign exchange (gain)/loss - (Net)	0.82	(2.59)
Re-measurement gains and (losses) on defined benefit obligations	0.45	(1.02)
Foreign Currency Translation	221.32	59.68
Share of (Profit) /loss in Associate & Joint Venture	(8.21)	6.44
Finance costs	63.88	50.98
Interest Income	(55.12)	(58.12)
Net (gain)/loss on sale of Current Investments	(5.95)	(6.76)
Dividend received	(5.27)	(2.59)
Impairment loss in the value of Unquoted investment		17.13
Fair Value changes on Current Investments	(2.63)	(7.50)
Operating Profit before Working Capital Changes	1,859.08	1,585.38
Adjustments for :		
(Increase) / Decrease Other Financial Assets	(14.33)	3.98
(Increase) / Decrease in trade receivables	(46.93)	(320.97)
(Increase) / Decrease in other current and non current assets	(84.60)	(32.63)
(Increase) / Decrease in inventories	(838.27)	(415.41)
Increase / (Decrease) in trade payables	371.08	533.87
Increase / (Decrease) in other financial liabilities	18.33	(7.62)
Increase / (Decrease) in provisions	(1.63)	(0.22)
Increase / (Decrease) in other current and non-current liabilities	11.30	24.09
(Increase) / Decrease in Financial Assets - Loans	(9.48)	(11.72)
Cash Generated From Operations	1,264.55	1,358.75
Direct Taxes paid (net of refund)	(470.22)	(359.53)
Net Cash Flow from Operating Activities	794.33	999.22
B. Cash Flow from Investing Activities:		
Purchase of Property, plant and equipment/investment property and other intangible assets including Capital Work in Progress and Capital Advances	(892.42)	(309.86)
Proceeds from sale of property, plant and equipment & Investment property	19.90	14.65
Sale of Subsidiary	0.00	
Interest received	60.33	54.29
Dividend received from joint ventures	2.71	3.92
Investment in Joint venture ,associates & subsidiaries	-	(26.42)
Dividend Income	5.27	2.59
Purchase/Sale of Current Investments (net)	29.51	(13.65)
Purchase/Sale of Non Current Investments(net)	(8.40)	11.63
Maturity / (Investment) in bank deposits	76.13	(189.15)
Net Cash Used in Investing Activities	(706.97)	(452.00)



Particulars	Year Ended 31-Mar-2022	Year Ended 31-Mar-2021
C. Cash Flow from Financing Activities:		
Buy Back of shares	-	(0.42)
Premium on Buy Back of shares	-	(0.21)
Issue of shares	-	0.01
Premium on issue of shares / Debt	-	-
Issue /(Repayment) of Borrowings (Net)	324.14	(184.46)
Finance costs paid	(39.03)	(31.95)
Payment of lease liabilities	(75.72)	(79.44)
Dividends Paid (Including Dividend Distribution Tax as applicable)	(110.50)	(14.48)
Net Cash from/(used) in Financing Activities	98.89	(310.95)
Net Increase in Cash and Cash Equivalents [A+B+C]	186.25	236.27
Cash and Cash Equivalents at the Beginning of the Year	764.26	527.99
Cash and Cash Equivalents as at End of the Year	950.51	764.26

Refer Note 8c for Components of Cash and cash Equivalents

Summary of Significant Accounting Policies

The accompanying notes are an integral part of the financial statements.

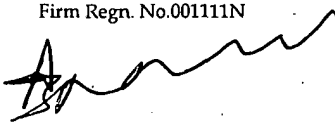
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As per our report of even date

For J.C. Bhalla & Co.

Chartered Accountants

Firm Regn. No.001111N

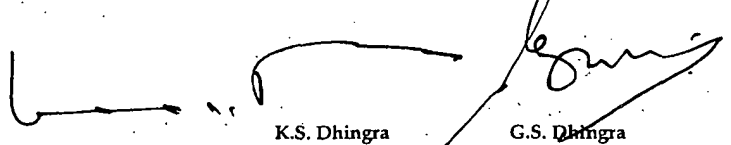


Akhil Bhalla

Partner

Membership No. 505002

For and on behalf of the Board of Directors of
U.K. Paints (India) Private Limited



K.S. Dhingra

Director

DIN: 00048406

G.S. Dhingra

Director

DIN: 00048465

Place: New Delhi

Dated: September 28, 2022



UK PAINTS (INDIA) PRIVATE LIMITED

Consolidated Statement of Changes in Equity for the year ended March 31, 2022

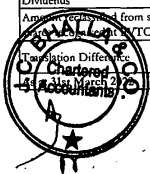
a. Equity Share Capital:

Equity shares of Rs 100 each issued, subscribed and fully paid

	No. of shares	₹ in Crores
As at 1 April 2020	2,53,178	2.53
Changes in equity		
At 31 March 2021	2,53,178	2.53
Changes in equity		
At 31 March 2022	2,53,178	2.53

b. Other equity

Particulars	Reserves & Surplus							Items of OCI			Total	Non Controlling Interest	Total Equity
	Securities premium Account	Equity Component on Compound Financial Instrument	Retained earnings	Capital Reserve	General Reserve	Capital Redemption reserve	Statutory Reserve	Foreign- Currency Translation Reserve	Foreign currency monetary item translation difference account	FVTOCI			
As at 1st April 2021	130.15	3.82	4,763.71	12.43	231.86	0.05	35.89	217.93	0.00	270.63	5,666.47	1,019.51	6,685.98
Adjustment for error in subsidiary company	-	-	(1.85)	-	-	-	-	-	-	-	-1.85	(0.10)	-1.95
Re-stated As at 1st April 2021	130.15	3.82	4,761.86	12.43	231.86	0.05	35.89	217.93	0.00	270.63	5,664.62	1,019.41	6,684.03
Adjustment for cessation of subsidiary (Subsidiary no longer exist)	-	-	0.00	-	-	-	-	-	-	-	0.00	-	0.00
Other Adjustments	-	-	0.06	-	-	-	-	-	-	(0.06)	-	-	-
Adjustment for consolidation	-	-	(5.44)	0.00	-	-	(0.18)	0.02	-	0.14	-5.46	0.15	-5.31
Profit for the year	-	-	639.87	-	-	-	-	-	-	-	639.87	256.47	896.34
Other comprehensive income for the year	-	-	0.17	-	-	-	-	238.50	-	(12.59)	226.08	(3.55)	222.53
Total Comprehensive Income for the year	-	-	640.05	-	-	-	-	238.50	-	(12.59)	863.95	252.92	1,118.87
Exercise of share options	0.98	-	-	-	-	-	-	-	-	-	0.98	0.41	1.39
Other additions / Deletion	-	-	-	-	-	-	-	-	-	-	-	-	-
Premium on Buy Back	-	-	-	-	-	-	-	-	-	-	-	-	-
Share based payments	-	-	-	-	-	-	-	-	-	-	-	4.17	4.17
Transfer from other reserve	-	-	-	-	-	-	4.94	-	-	-	4.94	-	4.94
Transfer to other reserve	-	-	(5.50)	-	-	-	-	-	-	-	(5.50)	(0.22)	(5.73)
Dividends	-	-	(15.99)	-	-	-	-	-	-	-	(15.99)	(92.96)	(108.95)
Amount transferred from sale of equity	-	-	0.87	-	-	-	-	-	-	-	0.87	-	0.87
Amount transferred from FVTOCI	-	-	-	-	-	-	-	-	-	-	-	-	-
Translation Difference	-	-	-	0.03	-	-	-	-	-	-	0.03	-	0.04
At 31 March 2022	131.13	3.82	5,375.90	12.46	231.86	0.05	40.65	456.45	0.00	258.12	6,510.44	1,183.88	7,694.32



Particulars	Reserves & Surplus							Items of OCI		Total	Non Controlling Interest	Total Equity
	Securities premium Account	Equity Component on Compound Financial Instrument	Retained earnings	Capital Reserve	General Reserve	Capital Redemption reserve	Statutory Reserve	Foreign Currency Translation Reserve	Foreign currency monetary item translation difference account			
As at 1st April 2020	125.08		4,111.58	12.39	231.88	0.05	28.02	152.86	(7.35)	69.81	810.58	5,534.89
Other Adjustments			(6.78)					8.34				1.56
Re-stated As at 1st April 2020	125.08		4,104.80	12.39	231.88	0.05	28.02	161.20	(7.35)	69.81	810.58	5,536.45
Adjustment for consolidation	2.07		2.62	0.08	(0.02)	(0.00)	0.72	0.15	(0.15)	0.01	(5.49)	
Profit for the year			665.02								222.00	887.02
Other comprehensive income for the year			(0.41)					56.58		200.80	2.82	259.79
Total Comprehensive Income for the year			664.59					56.58		200.80	224.82	1,146.81
Forfeited share capital												
Exercise of share options	1.81									1.81	0.75	2.56
Other additions / Deletion	1.19	3.82								5.01		5.01
Premium on Buy Back			(0.21)							(0.21)		(0.21)
Share based payments											0.34	0.34
Share Options forfeited/lapsed												
Transfer from other reserve							7.15			7.15		7.15
Transfer to other reserve			(7.43)							(7.43)	(0.10)	(7.53)
Dividends			0.00							0.00	(14.48)	(14.48)
Acquisition of subsidiary												
Amount reclassified from sale of equity shares recognised at FVTOCI			(1.13)							(1.13)		(1.13)
Translation Difference			0.47	(0.04)					7.50	7.92	3.09	11.01
As at 31st March 2021	130.15	3.82	4,763.71	12.43	231.86	0.05	35.89	217.93	0.00	270.63	1,019.51	6,685.98

As per our report of even date
For J.C. Bhalla & Co.
Chartered Accountants
Firm Regn. No.001111N

Arjun Bhalla
Partner
Membership No. 505002
Place: New Delhi
Dated: September 28, 2022

For and on behalf of the Board of Directors of
U.K. Paints (India) Private Limited

K.S. Dhingra
Director
DIN: 00048406

G.S. Dhingra
Director
DIN: 00048465



Note 4 - Property plant and equipment*

₹ in Crores																
Particulars	Gross Block at Cost						Depreciation / Amortisation							Net Block		
	As at 01.04.2021	Other Adjustment	Additions	Reclassification	Deletions	Translation Difference	As at 31.03.2022	As at 01.04.2021	Other Adjustment	Reclassification	For the Year	On Deletions (Accumulated upto the date of sale)	Translation Difference	As at 31.03.2022	As at 31.03.2022	As at 31.03.2021
Land																
Freehold	259.10	(0.70)	5.48	-	-	2.57	266.45	0.83	-	-	0.85	-	0.03	1.71	264.74	258.26
Leasehold	-	-	-	-	-	-	-	-	-	-	-	-0.01	-	-0.01	-	-
Buildings																
Freehold	827.51	(0.13)	81.39	(0.00)	(3.03)	1.14	906.88	159.82	(0.13)	-	33.08	-0.95	-2.94	188.88	718.00	667.69
Leasehold	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Plant & Machinery @	1,647.56	(0.01)	211.45	-	(65.17)	4.03	1,797.86	732.43	(0.00)	-	156.56	-64.10	3.54	828.43	969.43	915.13
Furniture and Fixtures	62.29	(0.07)	6.04	-	(1.46)	(0.62)	66.18	35.16	(0.07)	-	6.95	-1.20	-0.02	40.82	25.36	27.13
Computer @	77.67	(0.20)	6.15	-	(8.44)	0.41	75.58	57.26	(0.20)	-	9.57	-8.37	0.30	58.56	17.02	20.41
Office Equipment	49.81	(0.10)	7.02	-	(0.65)	0.54	56.62	30.44	(0.10)	-	6.25	-0.45	0.37	36.51	20.11	19.37
Vehicles	62.29	-	21.66	-	(13.12)	0.09	70.92	36.70	-	-	11.16	-11.57	-0.22	36.07	34.83	25.59
Electrical Fitting	1.63	(0.33)	0.52	-	-	-	1.82	1.00	(0.33)	-	0.27	-	-	0.94	0.88	0.63
Lab Equipments	0.33	-	0.01	-	-	-	0.33	0.06	-	-	0.07	-	-	0.13	0.20	0.27
TOTAL	2,988.19	(1.54)	339.72	(0.00)	(91.87)	8.15	3,242.64	1,053.70	(0.83)	-	224.76	(86.64)	1.06	1,192.06	2,050.58	1,934.48

* Refer note 50

Depreciation amounting to Rs. 0.869 crores has been Capitalised to Capital Work in progress.

@ (i) Included followings assets (together constituting color bank) given under operating lease to the dealers:

Particulars	Gross Block at Cost			Accumulated Depreciation				Net Block		
	As at April 1, 2021	Additions	Deletions	As at March 31, 2022	As at April 1, 2021	For the Year	Deletions (Accumulated upto the date of sale)	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Plant & Machinery	305.31	54.37	59.38	300.30	191.77	43.32	59.36	175.73	124.57	113.54
Computer	24.18	0.95	7.28	17.85	18.89	2.17	7.28	13.78	4.07	5.29
Total	329.49	55.32	66.66	318.15	210.66	45.49	66.64	189.51	128.64	118.83

(i) Nil amount of borrowing cost is capitalised during the current and comparative period.

Title deeds of immovable properties are in the name of the Berger Paints India Ltd. except those mentioned below which is transferred to and vested in the Holding Company pursuant to the respective Schemes of Amalgamation in earlier years.

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, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021				
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 3, 2005	Refer Note below

Note: In terms of the order dated March 3, 2005 by the Hon'ble High Court at Calcutta approving Scheme of Amalgamation of Berger Auto and Industrial Coating Limited, with the Berger paints india limited, the particular freehold land was transferred to the Berger paints india limited.



Note 4(a) Capital work in Progress

Particulars	Gross Block at Cost		
	As at April 1, 2021	Additions	As at March 31, 2022
Buildings	108.00	389.63	497.63
Plant & Equipment	63.61	395.29	458.90
Other assets*	4.09	19.34	23.43
TOTAL	175.70	804.26	980.00

*CWIP Reconciliation of Berger Paints Bangladesh Ltd. is grouped under Other assets.

Note 4(c) - Goodwill

Particulars	Gross Block at Cost				Depreciation / Amortisation				Net Block		
	As at 01.04.2021	Additions**	Deletions	Translation Difference	As at 31.03.2022	As at 01.04.2021	For the Year	On Deletions(Accumulated upto the date)	Translation Difference	As at 31.03.2022	As at 31.03.2022
Goodwill	833.68	-	-	-3.00	830.68	-	-	-	-	830.68	833.68
TOTAL	833.68	-	-	(3.00)	830.68	-	-	-	-	830.68	833.68

* Includes Goodwill on consolidation of Rs.555.11 crores (2020-21 Rs.546.05 crores)

Note 4(d) - Other Intangible assets

Particulars	Gross Block at Cost				Depreciation / Amortisation				Net Block		
	As at 01.04.2021	Additions	Deletions	Translation Difference	As at 31.03.2022	As at 01.04.2021	For the Year	On Deletions(Accumulated upto the date)	Translation Difference	As at 31.03.2022	As at 31.03.2022
Computer Software	52.34	12.18	(0.05)	(0.83)	63.64	39.65	6.20	-0.05	-0.94	44.86	12.68
Corporate membership	0.38	-	-	0.01	0.39	-	-	-	-	0.39	0.38
Trade mark	0.35	-	-	0.00	0.35	0.18	0.04	-	0.00	0.15	0.24
TOTAL	52.97	12.18	(0.05)	(0.82)	64.28	39.76	6.24	(0.05)	(0.94)	45.01	13.20

Note 4(d)(i) - Intangible Asset under development

Gross Block at cost					
Particulars	As at March 31, 2021	Addition	Deletion	Capitalization	As at March 31, 2022
Computer Software	0.00	0.48	0.00	0.00	0.48



UK PAINTS (INDIA) PRIVATE LIMITED

Consolidated notes to financial statements for the year ended March 31, 2022

(All amounts in ₹ (in CRORES), unless otherwise stated)

Note 4(b) : Investment property

Particulars	31-Mar-22			31-Mar-21		
	Land	Building	Total	Land	Building	Total
Gross carrying amount						
Opening gross carrying amount / Deemed cost	56.04	2.98	59.02	49.38	2.98	52.36
Reclassification from PPE	0.00		0.00			
Additions	1.49		1.49	6.66		6.66
Deletions	(1.07)		(1.07)			
Reclassification	-		-			
Closing gross carrying amount	56.46	2.98	59.44	56.04	2.98	59.02
Accumulated depreciation and impairment						
Opening Accumulated depreciation	-	0.81	0.81	-	0.66	0.66
Depreciation charge/impairment losses	-	0.15	0.15	-	0.15	0.15
Reclassification to PPE	-		-		(0.00)	(0.00)
Closing accumulated depreciation and impairment	-	0.96	0.96	-	0.81	0.81
Net carrying amount	56.46	2.02	58.48	56.04	2.17	58.21

(i) Description about Investment properties

The Company's investment properties consist of land and a building constructed at:-

- Kiri Khurd, Pathankot
- Plots situated at Malibu Town Tikri fatchpur, Gurgaon
- Plots situated at vatika india next, Gurgaon

(ii) Amount recognised in statement of profit & loss

Particulars	31-Mar-22	31-Mar-21
Rental income	0.45	1.53
Direct operating expenses from property that generated rental income*	-	-
Profit/(Loss) from investment properties before depreciation	0.45	1.53
Depreciation	0.15	0.15
Profit/(Loss) from investment properties	0.30	1.39

* It is not practicable to segregate repairs, insurance and taxes related to rented property due to voluminous transactions.

(iii) Restrictions on realisability and contractual obligations

The company has no restrictions on the realisability of its investment properties and no contractual obligations to either purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

(iv) Fair value

Particulars	31-Mar-22	31-Mar-21
-Kiri Khurd, Pathankot	7.63	7.44
-Plots situated at Malibu Town Tikri fatchpur, Gurgaon	10.13	10.13
-Plots situated at vatika india next, Gurgaon	13.68	12.90

Estimation of fair value of Land and building

The valuation has been carried by a registered approved valuer, conversant with and having knowledge of real estate activities in the concerned area, based on prevalent rates and other observable market inputs (level 2).



UK PAINTS (INDIA) PRIVATE LIMITED**Consolidated notes to financial statements for the year ended March 31, 2022****Note 5. Investment accounted for using the Equity Method****Indirect Joint Venture**

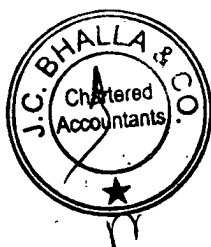
The Group has 48.98% and 49% interest in Berger Becker Coatings Private Limited (joint venture with Becker Industrial Coatings Holding AB - Sweden) and Berger Nippon Paint Automotive Coatings Private Limited (Company's Joint Venture with Nippon Paints Automotive Coatings Co. Ltd.) that had transferred its stake in the joint venture to Issac Newton Corporation with effect from August 28, 2021. 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 Ind AS financial statements. Carrying amount of interest in joint ventures as on March 31, 2022 and March 31, 2021 amounts to Rs. 147.06 crores and Rs. 145.89 crores respectively. Summarised financial information of the joint ventures, based on their Ind AS financial statements are set out below:

Particulars	₹ in crores	
	As at March 31, 2022	As at March 31, 2021
Carrying amount of interest in joint ventures	147.06	145.89
Non-current assets	214.08	222.79
Current Assets	313.75	289.95
Non-Current Liabilities	-11.26	(4.98)
Current Liabilities	-130.72	(124.19)
Equity	385.84	383.57

Particulars	₹ in crores	
	As at March 31, 2022	As at March 31, 2021
Total income	484.17	363.86
Total expenses	476.66	375.29
PAT	7.51	(11.43)
Total Comprehensive Income	7.59	(11.31)
Group's Share of Profit/(Loss) from joint ventures	3.86	(5.61)
Group's share of Other Comprehensive Income/(Loss) for the year from joint ventures	0.04	0.06
Group's share of total comprehensive income for the year from joint ventures	3.90	(5.55)

The Joint Ventures have the following contingent liability:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
	2.04	2.04
Income Tax		



Direct Associate#	₹ in crores	
	As at March 31, 2022	As at March 31, 2021
276,300 (31 March 2022: 276,300) equity shares of Bigg Investment & Finance Pvt. Ltd.**	13.03	10.95
9,033 (31 March 2022: 9,033) equity shares of Advantage Housing Pvt. Ltd.	11.79	11.81
(Goodwill amounting to Rs. 0.05 crores on 31/03/2022 (0.05 crores on 31/03/2021))		
1,671 (31 March 2022: 1,671) equity shares of Kap Company Pvt. Ltd.	12.74	12.76
(Goodwill amounting to Rs. 12.77 crores on 31/03/2022 (Rs. 12.77 crores on 31/03/2021))		
5,411 (31 March 2022: 5,411) equity shares of Efficient Buildcon Pvt. Ltd.	2.59	2.60
(Goodwill amounting to Rs. 0.00* crores on 31/03/2022 (0.00* crores on 31/03/2021))		
KSD Buildwell LLP*		0.00
(Goodwill amounting to Rs. 0.00* crores on 31/03/2022 (Rs. 0.00* crores on 31/03/2021))		
16,69,833 (31 March 2022 : 3,333) equity shares of Wisdom Colonizers Pvt. Ltd.	3.80	2.59
(Goodwill amounting to Rs. 0.71 crores on 31/03/2022 (Rs. 0.71 crores on 31/03/2021))		
# Refer note no. 42 for summarised financial information		
** Includes 50,000 equity shares held by subsidiary company		
* Refer note 50		
Overseas Indirect Associates		
39,20,000 (31 March 2021 :39,20,000) shares of Berger Becker Bangladesh Limited and 6,86,425 (31 March 2021 - 6,86,425) shares of Berger Fosroc Limited	30.36	29.65
	74.31	70.36
Total	221.36	216.25



UK PAINTS (INDIA) PRIVATE LIMITED

Consolidated notes to financial statements for the year ended March 31, 2022

Note 5a. Financial assets - Investments

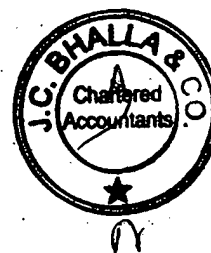
	Number of shares/units		₹ in Crores	
	As at 31-Mar-2022	As at 31-Mar-2021	As at 31-Mar-2022	As at 31-Mar-2021
(a) Investments in Equity Shares				
Quoted Investments (fully paid-up)				
- of Subsidiary				
Berger Paints India Ltd.				
At fair value through Other comprehensive income				
Simbholi Spirit Ltd.	5,75,034	15,39,640	1.28	1.11
Asian Paints Limited	1,95,323	1,90,662	60.07	48.88
Akzo Nobel India Limited	19,289	18,154	3.68	4.20
ICICI Bank	15,917	10,100	1.16	0.65
Ultratech Cements Ltd.	348	150	0.23	0.10
Vedanta Ltd.	17,621	14,000	0.71	0.40
Britania Ltd	1,327	1,036	0.42	0.37
HCL Tech Ltd	8,424	3,183	0.98	0.36
SBI Ltd	7,767	3,831	0.38	0.21
TCS Ltd	3,740	2,479	1.39	0.78
Titan Industries Ltd	3,783	3,198	0.95	0.55
Kansai Nerolac Paints Limited	55,535	53,500	2.59	3.21
BSE Ltd	2,92,230	97,410	27.45	0.01
Pidilite Industries Ltd	1,35,000	1,31,280	33.09	23.86
Marico Ltd	1,34,990	1,32,990	6.79	5.55
Lakshmi Vilas Bank Ltd	1,09,266	9,266	0.08	0.12
Page Industries	1,738	1,683	7.50	5.18
ITC Ltd	1,02,927	96,782	2.57	2.22
MRF Ltd.	248	248	1.61	2.04
Simbhaoli Sugars Limited	3,55,147	3,55,147	0.79	0.25
GMR Infrastructure Limited	1,36,474	4,26,474	0.50	1.03
Bata India Limited	11,837	7,431	2.31	1.20
Bajaj Finance Limited	2,884	744	1.42	0.64
Dabur India Limited	10,190	7,515	0.54	0.46
Infosys Limited	8,128	7,158	1.54	1.03
Bajaj Auto Limited	1,700	1,100	0.62	0.44
Hero Motocorp Limited	2,210	1,935	0.50	0.59
Mahindra & Mahindra Limited	5,210	3,505	0.42	0.30
Maruti Suzuki Limited	1,775	1,775	1.34	1.21
Shree Cements Limited	400	382	0.96	1.12
Axis Bank Limited	15,749	13,729	1.19	1.02
HDFC Bank Limited	15,042	10,899	2.20	1.70
IRB Invit Fund	55,000	55,000	0.29	0.29
Nestle India Limited	319	80	0.55	0.26
Bajaj Finance Limited	3,030	3,030	2.20	1.56
Castrol India Limited	-	16,400	-	0.21
Dalmia Limited	1,100	1,100	0.16	0.17
Havells (I) Ltd.	11,565	3,200	1.33	0.50
Hindustan Unilever Ltd.	7,381	4,983	1.51	1.34
Larsen & Turbo Ltd	9,166	7,268	1.61	1.08
Dalmia Bharat	749	290	0.11	0.01
Moil Limited	9,672	9,672	0.18	0.15
Nbcc	2,30,494	2,30,494	0.83	1.07
Bajaj Finserv.	200	200	0.34	0.19
PI Industries Limited	2,266	2,266	0.64	0.51
Relaxo Footwears Limited	36,624	32,148	3.89	2.91
United Breweries Limited	3,150	3,150	0.47	0.39
Lal Path Lab.	716	-	0.17	-
Kotak mahindra bank	3,016	-	0.53	-
Castrol India	16,400	-	0.16	-
Gmr Power And Urban Infra	13,647	-	0.05	-
Hdfc Life	3,256	-	0.17	-
Pnb	16,500	-	0.06	-
Sbi Etf	45,963	-	1.95	-
Wipro	460	-	0.14	-
Yes Bank	10,000	-	0.02	-
Srf Limited	-	-	0.32	-
Other Quoted investments*			701.89	787.10
Total aggregate quoted investments [A]			886.87	908.53

* Other Quoted Investment are related to uk paints overseas Ltd.



	Number of shares/units			
	As at 31-Mar-2022	As at 31-Mar-2021	As at 31-Mar-2022	As at 31-Mar-2021
Unquoted Investments (fully paid-up)				
At cost				
Al Najah Education Ltd	28,33,333	28,33,333	23.44	28.67
Al Masah Capital Limited	6,80,864	-	-	-
Diamond Lifestyle Ltd	23,47,826	-	-	-
Avivo Group US\$ 0.01 Shares	41,21,212	41,21,212	3.79	3.68
Regulus Asset Management Limited (Formerly known as AM Assets Management)	10,28,395	10,28,395	1.52	1.47
Regulus Capital Ltd. (Formerly AM Partners Limited)	13,75,925	13,75,925	5.31	5.15
At fair value through profit and loss (FVTPL)				
Shaktikunj Apartments Limited*	1,498	1,498	0.00	0.00
Charotar Gas Company*	10	10	0.00	0.00
Total aggregate unquoted investments [B]			34.06	38.97
Total Equity Investment [A+B]			920.93	947.50
(b) Investments in Preference Instruments				
At Amortise Cost				
- of Associate at Amortise Cost				
1% Cumulative Preferential Shares of Rs. 10/- each of Wisdom Colonizers Pvt. Ltd.	8,33,250	8,33,250	8.47	8.38
Through FVTPL				
- of Others				
1% Non Cumulative Preferential Shares of Rs. 100/- each of Malibu Estate Pvt. Ltd.	3,42,500	3,42,500	6.85	6.85
Total Preference Investment			15.32	15.23
(c) Deemed Investment in Associate (loan to associate till perpetuity)				
At fair value through profit & loss				
KSD Buildwell LLP	-	-	23.16	23.16
			23.16	23.16
(d) Investment in Bonds				
At amortised cost				
8.66% India Infrastructure Finance Company Limited Tax free 2034 tax free bonds	50,000	50,000	6.26	6.26
IRFC Bonds (8.35% Pa)	104	104	11.47	11.47
Bharat Bond ETF - April 2025	99,994	99,994	10.00	10.00
Edelweiss Mutual Fund Bharat Bonds ETF	20,000	20,000	2.00	2.00
(e) Investment in Mutual Funds				
At fair value through Other comprehensive income				
HDFC Liquid Fund Growth - Direct Plan	12,167	-	5.05	-
BOB Preperpetual Bonds 8.65%	50	-	5.13	-
HDFC Preperpetual Bonds 8.85%	50	-	5.09	-
SBI Preperpetual Bonds 7.72%	5	-	5.01	-
HDFC Liquid Fund - Direct Plan- Growth	23,791	-	9.88	-
Total Non Current Investments			1,019.29	1,015.62
Total Non-current Investments			1,019.29	1,015.62
Aggregate amount of quoted investments			886.87	908.53
Aggregate amount of market value of quoted investment			886.87	908.53
Aggregate amount of unquoted investments			132.42	107.09
Aggregate amount of impairment in the value of investments				

* Refer note 50



UK PAINTS (INDIA) PRIVATE LIMITED
Consolidated notes to financial statements for the year ended March 31, 2022
₹ in Crores
Note 5b. Financial assets - Loans

	Non-Current		Current	
	As at 31-Mar-2022	As at 31-Mar-2021	As at 31-Mar-2022	As at 31-Mar-2021
(Unsecured, considered good)				
Security Deposits	-	-	-	-
Other Loans (refer note-12 for provision)	3.52	-	28.98	12.28
Loans to Related parties	2.70	-	68.07	68.41
Intercompany deposits	-	-	21.67	34.81
Unsecured, considered Bad	-	-	11.64	-
Less : Provision	-	-	-11.64	-
Loan to employees	-	-	0.27	0.23
(Unsecured, considered doubtful)				
Other Loans (refer note 12 for provision)	-	-	50.30	50.30
Total loans and deposits	6.22	-	169.29	166.03

Note 5c. Other Financial assets

	Non-Current		Current	
	As at 31-Mar-2022	As at 31-Mar-2021	As at 31-Mar-2022	As at 31-Mar-2021
(Unsecured, considered good)				
Bank Deposits with original maturity more than twelve months#	71.73	54.44	-	-
Security deposits	40.18	36.77	10.94	16.87
Subsidy receivable	30.10	-	48.32	59.11
Interest accrued and due from related party	-	-	0.52	0.42
Interest accrued and due on FDR	-	-	2.15	1.58
Interest accrued on NCD	-	-	0.00	0.00
Unbilled Revenue	-	-	-	0.02
Advances for share application money (to related parties)	-	0.01	-	-
Interest accrued on deposits & bonds	0.67	1.90	8.74	13.39
Other receivables*	-	0.00	8.71	9.27
Advance for investment	67.73	67.70	-	-
Total Other financial assets	210.41	160.82	79.38	100.66

includes deposits pledged against bank guarantees

* Refer note no. 50

Note 6. Other Assets

	Non-Current		Current	
	As at 31-Mar-2022	As at 31-Mar-2021	As at 31-Mar-2022	As at 31-Mar-2021
(Unsecured, considered good)				
Capital advances*				
- Considered Good	139.11	108.71	-	-
- Doubtful Advance	0.13	0.08	-	-
- Less: Allowance for Doubtful advance	-0.13	-0.08	-	-
Advances other than capital advances				
Other Advances				
- Considered Good	-	-	36.25	41.85
- Doubtful Advance	-	-	0.17	0.13
- Less: Provision for doubtful advances	-	-	-0.17	-0.13
Imprest to employees	-	-	0.05	0.01
Others				
Prepayments	0.39	0.11	17.21	16.69
Balances with statutory/government authorities				
- Considered Good	14.46	14.17	187.29	99.32
Other Recoverable	-	-	8.26	7.17
Total Other Assets	153.96	122.99	249.06	165.04

* includes amount paid for acquiring rights in plots and penthouse not registered in the name of company.



UK PAINTS (INDIA) PRIVATE LIMITED**Consolidated notes to financial statements for the year ended March 31, 2022****Note 7. Inventories**

(at the lower of cost and net realisable value)

₹ in Crores

	As at 31-Mar-2022	As at 31-Mar-2021
Raw materials [Including in-transit Rs 142.06 crores (March 31, 2021 - Rs.97.75 crores)]	1,032.47	638.96
Packing material [Including in-transit Rs .06 crores (March 31, 2021 - Rs. 0.23 crores)]	80.39	62.76
Work in process	153.64	111.59
Finished goods (including scrap stock)	1,257.84	873.04
Traded goods [Including in-transit Rs.02 crores (March 31, 2021 - Rs. 2.71 crores)]	145.73	147.75
Goods in transit*	65.44	63.62
Stores and Spares	25.92	25.45
Less: Allowance for non-moving inventory	0.00	0.00
Total inventories	2,761.43	1,923.17

* Related to Berger Paints Bangladesh Limited



UK PAINTS (INDIA) PRIVATE LIMITED
Consolidated notes to financial statements for the year ended March 31, 2022
Note 8a. Financial assets - Investments

	Number of units		₹ in Crores	
	As at 31-Mar-2022	As at 31-Mar-2021	As at 31-Mar-2022	As at 31-Mar-2021
Investments in Mutual Funds - Unquoted				
At fair value through Profit & Loss				
Tata Money Market Fund- Direct Plan - Growth	21,042	-	8.05	-
Franklin India Short term Income Plan - Retail Plan-Direct-Segregated Portfolio 2	8,669	-	0.08	-
Franklin India Short term Income Plan - Retail Plan-Direct-Segregated Portfolio 3	10,320	-	-	-
Axis Money Market Fund Direct Growth	1,46,503	-	16.87	-
Franklin India Ultra Short Bond Fund Super Institutional Plan - Direct - Growth	1,71,979	35,17,074	0.58	9.77
HDFC Money Market Funds Direct Plan - Growth	15,248	-	7.09	-
HDFC Money Market Fund - Direct Plan - Growth Option	61,468	1,37,402	28.61	61.47
HDFC Ultra Short Term Fund - Direct Plan - Direct Growth	-	2,99,14,406	-	35.72
HDFC Ultra Short Term Fund - Direct Growth	16,47,090	-	2.04	-
Kotak Money Market Fund - Direct Plan - Growth	22,474	10,281	8.14	3.58
Franklin India Short Term Income Plan - Weekly Dividend	884	9,460	0.42	3.76
SBI Savings Fund - Direct Plan - Growth	-	1,46,25,739	-	50.01
ICICI Prudential Money Market Fund - Direct Growth	-	12,69,904	-	37.50
HDFC Liquid Fund Direct Plan Growth	9,359	9,797	80.46	3.96
Kotak Liquid Fund Direct Plan Growth	26,644	9,638	11.47	4.01
ICICI Liquid Fund	-	-	7.64	-
Total Unquoted Investments			171.45	209.78
Investment in Shares - Quoted				
At fair value through Profit & Loss				
Axis Bank Ltd.	2,000	2,000	0.15	0.14
Britannia Industries Ltd.	6,024	6,024	1.93	2.18
Bajaj Auto Ltd.	3,351	3,351	1.22	1.23
Bata India Ltd.	12,396	12,396	2.43	1.74
Dabur India Ltd.	40,700	40,700	2.18	2.20
Havells India Ltd.	11,395	11,395	1.31	1.20
HDFC Bank Ltd.	6,800	6,800	1.00	1.02
ICICI Bank Ltd.	14,200	14,200	1.04	0.83
NBCC(India) Ltd.	-	-	-	-
Nestle India Ltd.	1,270	1,270	2.21	2.18
Punjab National Bank Ltd.	-	16,500	-	0.06
Shree Cements Ltd.	754	754	1.81	2.22
Supreme Industries Ltd.	2,500	2,500	0.51	0.51
Yes Bank Ltd.	56,000	56,000	0.05	0.09
Total quoted Investments			15.84	15.60
Total Current Investment			187.29	225.38
Aggregate amount of quoted investments			15.84	15.60
Aggregate amount of market value of quoted investment			15.84	15.60
Aggregate amount of unquoted investments			171.45	209.78
Note 8b. Trade Receivables				
			in Crores	
(Unsecured)			As at 31-Mar-2022	As at 31-Mar-2021
Considered good			1,240.16	1,193.23
Credit Impaired			39.87	31.91
Allowance for credit impaired			1,280.03	1,225.14
			-39.87	-31.91
Total trade receivables			1,240.16	1,193.23

Trade receivables are non-interest bearing and generally has credit period from 30 to 90 days
For transactions with related parties, refer note no. 34.



UK PAINTS (INDIA) PRIVATE LIMITED**Consolidated notes to financial statements for the year ended March 31, 2022****Note 8c. Cash and Cash Equivalents**

₹ in Crores

	As at 31-Mar-2022	As at 31-Mar-2021
Balances with banks:		
– On current accounts	753.61	422.29
– Deposits with original maturity of less than three months	191.86	335.30
Cheques/drafts on hand	3.96	5.59
Cash on hand	1.08	1.08
Total Cash and Cash Equivalents	950.51	764.26

	As at 31-Mar-2022	As at 31-Mar-2021
Note 8d. Bank balances other than 8c above		
Other bank balances:		
– Balance with banks in Unpaid Dividend Account	5.07	6.16
– Deposits with original maturity of not less than three months but less than twelve months	256.73	349.06
Earmarked balances	0.03	0.03
Total Bank balances other than 8c above	261.83	355.25



UK PAINTS (INDIA) PRIVATE LIMITED
Consolidated notes to financial statements for the year ended March 31, 2022
Note - 9. Equity Share Capital
₹ in Crores

	As at 31-Mar-2022	As at 31-Mar-2021
Authorised Capital		
22,58,000 Equity Shares of Rs100/- each	22.58	22.58
5,000 12% Non-cumulative Preference Shares of Rs.100/- each	0.05	0.05
Issued Capital		
2,53,178 (2,53,178) Equity Shares of Rs100/- each fully paid up	2.53	2.53
	2.53	2.53
Subscribed and Paid-up Capital		
2,53,178 Equity Shares of Rs100/- each fully paid up	2.53	2.53
	2.53	2.53

a) The Reconciliation of shares capital is given below:

	As at 31-Mar-2022		As at 31-Mar-2021	
	No. of Shares	in Crores	No. of Shares	in Crores
At the beginning of the year	2,53,178	2.53	2,53,178	2.53
Add: Shares issued	-	-	-	-
At the end of the year (net of cross holding impact)	2,53,178	2.53	2,53,178	2.53

b) Terms/Rights attached to class of shares

The Parent Company has only one class of Equity Shares having a par value of Rs 100 each. Holder of each Equity Share is entitled to one vote per share. The Parent 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. In the event of liquidation of the Parent Company, the holders of equity shares will be entitled to receive remaining assets of the Parent Company, after meeting all liabilities and distribution of all preferential amounts in proportion to the number of equity shares held by the shareholders.

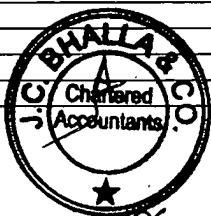
d) Details of Shareholders holding more than 5 percent of Equity Shares in the Parent Company

	As at 31-Mar-2022		As at 31-Mar-2021	
	No. of Shares	% holding	No. of Shares	% holding
Mr K.S.Dhingra	63,372	25.03%	63,372	25.03%
Mr. G.S. Dhingra	1,21,814	48.11%	1,21,814	48.11%
Meeta Properties LLP(Earlier Meeta Properties Pvt Ltd)	58,279	23.02%	58,279	23.02%

As per records of the Parent 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.

Details of promoter shareholding

Name of promoter	31 March 2022			31 March 2021		
	Number of shares	% of total shares	% change during the period	Number of shares	% of total shares	% change during the period
K S Dhingra	63372.00	25.03	0.00%	63372.00	25.03	0.00
G S Dhingra	121814.00	48.11	0.00%	121814.00	48.11	0.00
Meeta Dhingra	3445.00	1.36	0.00%	3445.00	1.36	0.00
Vinu Dhingra	3445.00	1.36	0.00%	3445.00	1.36	0.00
Rishma Kaur	393.00	0.16	0.00%	393.00	0.16	0.00
Jessima Kumar	390.00	0.15	0.00%	390.00	0.15	0.00
Anshana Sawhney	393.00	0.16	0.00%	393.00	0.16	0.00
Sunaina Kohli	390.00	0.15	0.00%	390.00	0.15	0.00
Kanwardip S Dhingra	393.00	0.16	0.00%	393.00	0.16	0.00
Dipti Dhingra	556.00	0.22	0.00%	556.00	0.22	0.00
Wang Invst & Fin P Ltd	150.00	0.06	0.00%	150.00	0.06	0.00
Bigg Invst & Fin P Ltd	12.00	0.00	0.00%	12.00	0.00	0.00
Meeta Prop. LLP.	58279.00	23.02	0.00%	58279.00	23.02	0.00
Citland Comm. Credits Ltd	146.00	0.06	0.00%	146.00	0.06	0.00



UK PAINTS (INDIA) PRIVATE LIMITED**Consolidated notes to financial statements for the year ended March 31, 2022****Note - 10. Other equity****₹ in Crores**

	As at 31-Mar-2022	As at 31-Mar-2021
Reserves & Surplus		
	3.82	3.82
Equity component of compound financial instruments		
Securities premium Account	131.13	130.15
Retained earnings	5,375.90	4,763.71
General Reserve	231.86	231.86
Other reserves		
Employee Stock Options outstanding	-	-
Capital reserve	12.46	12.43
Capital redemption reserve	0.05	0.05
Statutory reserve	40.65	35.89
Foreign currency monetary item translation difference account	0.00	0.00
Items of OCI		
Foreign Currency Translation Reserve	456.45	217.93
FVTOCI reserve	258.12	270.63
Total other equity	6,510.44	5,666.47
Non Controlling Interest		
Share in share capital	30.51	30.51
Share in other equity	1,183.88	1,019.51
	1,214.39	1,050.02
Total equity	7,724.83	6,716.49

Equity component of compound financial instruments - Group's share in Equity component of compound financial instruments issued by associate company.

Securities Premium Account- Premium received on equity shares issued are recognised in the securities premium account net of utilization for bonus share issue etc.

Retained Earnings - Retained earnings include 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.

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 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 .



UK Paints (India) Private Limited

Consolidated notes to financial statements for the year ended March 31, 2021

Capital Reserve - includes Capital Reserve arising on acquisition of subsidiaries amounting to Rs.12.45 crores as on 31st March'2022 (31st March'2021 - Rs.12.45 crores) and of associates Rs.0.23 crores as on 31st March'2022 (31st March'2021 - Rs. 0.23 crores)

Capital redemption reserve - Represents the amount transferred, for a sum equal to the face value of equity shares, at the time of buy-back of shares.

Statutory Reserve - This is a special reserve created under sec 45IC of RBI Act, 1934 .

Foreign Currency Translation Reserve- Represents exchange difference on translation of financial statements of foreign subsidiaries.

FVTOCI Reserve (Revaluation Reserve) - This reserve represent the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income net of amount reclassified to retained earnings when those assets have been disposed off.



UK PAINTS (INDIA) PRIVATE LIMITED
Consolidated notes to financial statements for the year ended March 31, 2022
Note 11. Other Financial Liabilities
₹ in Crores

	Non-Current		Current	
	As at 31-Mar-2022	As at 31-Mar-2021	As at 31-Mar-2022	As at 31-Mar-2021
Interest accrued but not due on borrowings	-	-	0.94	0.76
Unpaid Dividends	-	-	5.60	7.16
Other reserves				
Deposits	78.10	59.30	18.53	29.91
Capital Creditors	-	-	47.08	31.35
Accrued Employee Liabilities	-	-	42.39	40.36
Payable to Related Parties	-	-	0.05	0.06
Other Payables	-	-	46.72	37.82
Total other financial liabilities	78.10	59.30	161.31	147.42

Note 12. Provisions

	Non-Current		Current	
	As at 31-Mar-2022	As at 31-Mar-2021	As at 31-Mar-2022	As at 31-Mar-2021
Provision for Employee Benefits				
- Provision for Gratuity	5.37	4.94	10.34	9.48
- Provision for Leave Encashment	4.58	4.51	35.03	32.66
- Provision for Housing Fund (Refer Note (a) below)	-	-	1.60	6.75
Provision for Decommissioning Cost (Refer Note (b) below)	3.98	3.68	-	-
Contingent provision against standard assets	-	-	0.25	0.31
Contingent provision against sub standard assets	-	-	3.34	3.34
Contingent provision against doubtful assets	-	-	16.86	16.86
	13.93	13.13	67.42	69.40

	31-Mar-22	31-Mar-21
(a) Housing Fund		
At the beginning of the year	6.75	6.75
Arisen during the year	0.80	0.40
Utilized during the year	-5.95	(0.40)
At the end of the year	1.60	6.75

Provision for housing fund cost has been recognised in compliance with Sec 41 of Nepal Labour Act, 2048



UK PAINTS (INDIA) PRIVATE LIMITED**Consolidated notes to financial statements for the year ended March 31, 2022**

(b) Provision for Decommissioning Cost	31-Mar-22	31-Mar-21
At the beginning of the year	3.68	3.41
Arisen during the year		
Interest unwinding for the year	0.30	0.27
At the end of the year	3.98	3.68

Provision for decommissioning cost has been recognised towards decommissioning/dismantling of Property, Plant & Equipment.

Note 13a. Deferred Tax Assets & Liabilities**₹ in Crores**

Nature - (Liability) / Asset	As at 31-Mar-2022	As at 31-Mar-2021
Deferred Tax Liabilities		
Arising out of temporary differences in depreciable assets	107.09	88.34
Fair value measurement of investments	17.30	9.95
Others		(0.08)
Total (A)	124.39	98.21
Deferred Tax Assets		
On expenses allowable against taxable income in future years	15.57	11.51
On temporary differences on accounting of lease rentals under Ind AS 116	10.55	(3.45)
Decommissioning Liability	1.00	0.93
Others	2.41	(1.35)
Expected credit loss on trade receivables	0.05	1.84
Others through Other Comprehensive Income	3.54	3.55
Total (B)	33.12	13.03
Deferred Tax (expenses)/Income (A-B)		
Net Deferred Tax (Liabilities)/Assets (B-A)	(91.27)	(85.18)



UK PAINTS (INDIA) PRIVATE LIMITED**Consolidated notes to financial statements for the year ended March 31, 2022****Note 13b. Deferred Tax Assets & Liabilities****₹ in Crores**

Nature - (Liability) / Asset	As at 31-Mar-2022	As at 31-Mar-2021
Deferred Tax Liabilities		
Accelerated tax depreciation	1.48	5.23
Other reserves	1.48	5.23
Deferred Tax Assets		
On expenses allowable against taxable income in future years	0.44	3.74
Others through other comprehensive income	0.46	0.67
Arising out of temporary differences on accounting of lease rentals under Ind AS 116	0.33	0.38
Others	1.42	3.90
Total (B)	2.65	8.70
Net Deferred Tax (Liabilities)/Assets (B-A)	1.17	3.47



UK PAINTS (INDIA) PRIVATE LIMITED

Consolidated notes to financial statements for the year ended March 31, 2022

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2022 and 31 March 2021:

The tax on the group profit before tax differs from the theoretical amount that would arise using the standard rate of corporation tax in India as follows:

	₹ in Crores	
	Year Ended 31-Mar-2022	Year Ended 31-Mar-2021
Accounting Profit before income tax (before share of profit from J/V and associates)	1,346.06	1,256.17
Profit before income tax multiplied by standard rate of corporate tax in India	338.78	316.15
Other reserves		
Other miscellaneous Allowances/Disallowances (net)	126.20	53.36
Net effective income tax	464.97	369.51
Income tax expense reported in the Statement of Profit and Loss	457.87	362.70
Income tax expense reported in Other Comprehensive Income	7.11	6.82
	464.98	369.52

The Group has the following unused tax losses which arose on incurrance 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	31-Mar-22	Expiry Date	31-Mar-21	Expiry Date
FY 2016-17	Business Loss	0.60	Dec 2021	1.11	Dec 2021
FY 2017-18	Business Loss	7.92	Dec 2022	8.86	Dec 2022
FY 2018-19	Business Loss	10.69	Dec 2023	11.67	Dec 2023
FY 2019-20	Business Loss	10.51	Dec 2024	11.37	Dec 2024
FY 2019-20	Business Loss	3.33	Mar 2028	3.33	Mar 2028
FY 2019-20	Depreciation	0.15	N.A.	0.15	N.A.
FY 2020-21	Business Loss	5.36	Dec 2025	5.79	Dec 2025
FY 2020-21	Business Loss	0.50	Mar 2029	0.50	Mar 2029
FY 2020-21	Depreciation	0.22	N.A.	0.22	N.A.
FY 2021-22	Business Loss	2.21	Dec 2026	0.00	0.00

At the end of the reporting period, the aggregate amount of temporary differences associated with undistributed earnings of the subsidiaries for which deferred tax liabilities have not been recognised is Rs. 392.14 crores (2020-21: Rs. 328.45 crores). No liability has been recognised in respect of these differences 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

At the end of the reporting period, the aggregate amount of temporary differences associated with undistributed earnings of the subsidiaries of UK Paints India Private Limited except Berger paints India Ltd. for which deferred tax liabilities have not been recognised is ₹ 5603.73 crores. No liability has been recognised in respect of these differences 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. In case of Berger Paints India Ltd., it is represented by management that future dividend will be distributed from future earned profits and management has no intention to distribute current retained earnings.

At the end of the reporting period, the aggregate amount of temporary differences associated with undistributed earnings of the associates of UK Paints India Private Limited for which deferred tax liabilities have not been recognised is ₹ 7.97 crore because the management has no intention to distribute the same in the near future and further the amount involved is not material.



Note 14a. Borrowings

₹ in Crores

	Non-Current		Current	
	As at 31-Mar-2022	As at 31-Mar-2021	As at 31-Mar-2022	As at 31-Mar-2021
Secured				
From Banks				
Term Loan (refer note - 1 below)	9.83	165.65		
Bank Overdraft (refer note - 2 below)	-	-	12.13	32.14
Cash credit (refer note - 3 below)	-	-	18.16	11.96
Current maturities of long term borrowings	-	-	66.24	
Working Capital Demand Loan Loans (refer note - 4 below)	-	-	90.93	82.46
UnSecured				
Other Loan (refer note - 5 below)	-	-	0.20	0.20
Commercial Papers (refer note - 6 below)	-	-	515.00	150.00
Loans & advances from related parties (refer note - 7 below)	0.06	0.06	179.53	125.48
	9.89	165.71	882.19	402.24

(a) Lease liabilities

	Non-Current		Current	
	As at 31-Mar-2022	As at 31-Mar-2021	As at 31-Mar-2022	As at 31-Mar-2021
Lease liabilities	314.13	235.81	81.59	71.56

The following is the movement in lease liabilities during the year ended March 31, 2022:

Particulars	As at March 31, 2022	As at March 31, 2021
Opening	307.37	280.19
Addition	145.05	96.13
Finance cost accrued during the period	25.47	18.96
Deletions	-5.66	-11.02
Payment of lease liabilities	-75.72	-79.44
Translation Difference	-0.75	2.55
Balance at the end	395.76	307.37

Note 1:

Comprises of:

- Term Loan of Polish Zloty (PLN) 5.33 million (March 31, 2021 - PLN Nil) [equivalent Rs 9.83 crores (equivalent Rs Nil)] secured by way of hypothecation and/or mortgage over the property held at 12 Prosta Street, Zywiec in Poland and carries interest at WIBOR 3 Month + margin (March 31, 2021 - Nil) and it is repayable by June 2026.
- Term Loan of USD Nil (March 31, 2021: USD 5.18 million) [equivalent Rs Nil (March 31, 2021: Rs 37.84 crores)] secured by an unconditional and irrevocable corporate guarantee from the Holding Company and by way of hypothecation and/or mortgage over the fixed assets of the Holding Company ranking pari passu with charges created in favour of other lenders. The loan carries interest at the rate of LIBOR plus 0.87% p.a (March 31, 2021: LIBOR plus 0.87% p.a) and is repayable before June 7, 2022.

Note 2:

Bank overdraft are secured against fixed deposits.

Note 3:

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 two subsidiaries (first pari passu charge over entire current assets of the two subsidiaries). Cash Credit is repayable on demand and carries interest in the range of 6.00% to 9.70% per annum (March 31, 2021: 6.50%-9.50 % per annum).

Note 4:

(i). Working Capital Demand Loan of PLN 13.39 million [equivalent Rs 24.69 crores] (March 31, 2021 - PLN 8.74 million [equivalent Rs 17.13 crores]) and carries interest at WIBOR 1 Month + margin.

(i). Working capital demand loans of Rs 34.00 crores (March 31, 2021 - Rs 35.20 crores) is secured by corporate guarantee of the Holding Company. Loans are repayable within August 18, 2022 and carries interest from 6.30% to 6.50% per annum (March 31, 2021 - 6.20% to 7.25% per annum).

Current maturities of long term borrowings includes :-

(i) Term Loan of PLN 0.67 million (March 31, 2021 - PLN Nil million) [equivalent Rs 1.23 crores (equivalent Rs Nil crores)] secured by way of hypothecation and/or mortgage over the property held at 12 Prosta Street, Zywiec in Poland and carries interest at WIBOR 3 Month + margin (March 31, 2021 - Nil) and it is repayable by June 2026

(ii) Term Loan of USD 8.75 million (March 31, 2021: Nil) [equivalent Rs 65.01 crores (March 31, 2021: Nil)] secured by an unconditional and irrevocable corporate guarantee from the Holding Company. The loan carries interest at the rate of LIBOR plus 1.20 % p.a (March 31, 2021: Nil) and is repayable until October 28, 2022.

Note 5:

Other Loan represents demand loan from shareholder and carries interest at 12% per annum.

Note 6:

Note - 4: Commercial paper issued by the Holding Company carried an interest at 3.29%-4.08% per annum as at March 31, 2022 (March 31, 2021: 3.51%-4.00% per annum) and are repaid within the maturity period of 90 days.

Note 7:

Loan from Director and Relatives is repayable on demand. Loan of Rs.7806.25 lakhs (P.Y.- Rs. 8759.56 Lakhs) is interest free and rest of the loan carries interest @ 8.5%



UK PAINTS (INDIA) PRIVATE LIMITED

Consolidated notes to financial statements for the year ended March 31, 2022

Note 14b. Trade Payables

₹ in Crores

	As at 31-Mar-2022	As at 31-Mar-2021
- Total outstanding dues of Micro, Small & Medium Enterprises (See Note below)	67.39	63.03
- Total outstanding dues of creditors other than Micro, Small & Medium Enterprises		
Acceptances	194.67	105.84
Outstanding dues of creditors other than acceptances	1,935.70	1,656.99
Other reserves	2,197.76	1,825.86

₹ in Crores

	As at 31-Mar-2022	As at 31-Mar-2021
Disclosure under the Micro, Small and Medium enterprises Development Act, 2006 are provided as under to the extent intimation has been received from the suppliers regarding their status under the Act.		
Principal amount remaining unpaid at the end of the year	61.78	58.55
Interest due thereon remaining unpaid at the end of the year	5.61	4.48
	67.39	63.03
Delayed payment of Principal amount paid beyond appointed date during the entire financial year	236.03	236.03
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.	1.60	1.60
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	1.66	1.66
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	4.48	4.48

Terms and conditions of the above trade payables:

Trade payables are non interest bearing and are normally settled on 45-60 day terms

For transactions with related parties, refer note no.34

* Refer note 50



UK PAINTS (INDIA) PRIVATE LIMITED**Consolidated notes to financial statements for the year ended March 31, 2022****₹ in Crores****Note 15. Other liabilities**

	Non-Current		Current	
	As at 31-Mar- 2022	As at 31-Mar- 2021	As at 31-Mar- 2022	As at 31-Mar- 2021
Advance from customers	1.35	1.35	24.16	25.76
Statutory liabilities	-	-	63.95	42.29
Other liabilities	4.44	4.56	12.61	21.25
	5.79	5.91	100.72	89.30



UK PAINTS (INDIA) PRIVATE LIMITED

Consolidated notes to financial statements for the year ended March 31, 2022

Note 16a. Financial Assets

	₹ in Crores	
	As at 31-Mar-2022	As at 31-Mar-2021
Financial Assets - Non Current		
<u>At Fair Value through profit or loss/ other comprehensive income</u>		
(a) Investments	947.03	938.54
<u>At Cost*</u>		
(a) Investments	34.06	38.96
<u>At Amortised Cost</u>		
(a) Investment	38.19	38.11
(b) Loans and Deposits	6.22	-
(b) Other Financial Assets	210.41	160.82
	254.82	198.93
<u>At fair value using equity method</u>		
(a) Investments in joint ventures and associates	221.36	216.25
Total Non Current Financial Assets (a)	1,457.27	1,392.67
Financial Assets - Current		
<u>At fair value through profit or loss</u>		
(a) Investments	187.31	225.38
<u>At Amortised Cost</u>		
(a) Investments	-	-
(b) Loans and Deposits	169.29	166.03
(c) Cash and Cash Equivalents	950.51	764.26
(d) Bank balances other than (b) above	261.83	355.25
(e) Trade receivables	1,240.16	1,193.23
(f) Other financial assets	79.38	100.66
	2,701.17	2,579.43
Total Current Financial Assets (b)	2,888.48	2,804.81
Total Financial Assets (a + b)	4,345.75	4,197.48



Note 16b. Financial Liabilities

	As at 31-Mar-2022	As at 31-Mar-2021
Financial Liabilities - Non Current		
<u>At Amortised Cost</u>		
(a) Borrowings	9.89	165.71
(b) Other Financial Liabilities	78.10	59.30
Total Non Current Financial Liabilities (a)	87.99	225.01
Financial Liabilities - Current		
<u>At Amortised Cost</u>		
(a) Borrowings	882.19	402.24
(b) Trade Payables	2,197.76	1,825.86
(c) Other financial liabilities	161.31	147.42
Total Current Financial Liabilities (b)	3,241.26	2,375.52
Total Financial Liabilities (a + b)	3,329.25	2,600.53

The Company believes the fair value of financial assets and liabilities measured at amortised cost approximates their respective carrying value.

* No fair valuation was carried out



UK PAINTS (INDIA) PRIVATE LIMITED**Consolidated notes to financial statements for the year ended March 31, 2022****Note 17. Distribution made and proposed by holding and subsidiary companies**

₹ in Crores

	31-Mar-22	31-Mar-21
Cash dividends on Equity shares paid:*		
Final dividend for 31 March 2021	108.95	14.48
DDT on final dividend	-	-
	108.95	14.48
Proposed dividends on equity shares:**		
Final dividend for 31 March 2022	62.20	56.18
DDT on proposed dividend #	-	-
	62.20	56.18

As at March 31, 2022, 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 Ind AS financial statements

* Includes dividend paid by parent company and dividend paid to minorities by subsidiary company

With effect from 1 April 2021, the Dividend Distribution Tax ("DDT") payable by the company under section 115 O of Income Tax Act was abolished and a withholding tax was introduced on the payment of dividend. As a result, dividend is now taxable in the hands of the recipient

** Relates to minorities



UK PAINTS (INDIA) PRIVATE LIMITED
Consolidated notes to financial statements for the year ended March 31, 2022
Note 18. Revenue from Operations
₹ in Crores

	31-Mar-22	31-Mar-21
Sale of Products*	10,465.76	7,996.71
Sale of services**	131.74	227.46
Other Operating revenue	-	-
Job Work Income	7.53	6.70
Scrap Sales	23.08	14.60
Interest Income#	11.00	21.70
Rental Income from Investment Property	0.45	1.53
Rental Income (Others)	0.53	0.57
Dividend Income#	0.75	0.24
Profit on sale of bonds#	-	-
Income from Government Grants	65.36	45.01
Support Service Income	1.09	1.08
Others	43.65	41.17
Total	10,750.94	8,356.77

#Related to subsidiary NBFC's
*** 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.**
**** Revenue from combined contract represents supply apply contracts and is recognised at a point of time 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.**
Revenue from contracts with customers disaggregated based on geography:

India	8,139.03	6,340.14
Outside India	2,611.91	2,016.64
	10,750.94	8,356.77

Note 19. Other Income
₹ in Crores

	31-Mar-22	31-Mar-21
Interest Income from financial assets		
Deposits with banks	48.45	46.66
Security Deposits	0.07	0.02
Loans Given	2.75	5.77
Interest on NCD	0.00	0.00
Interest on Preference Shares (at amortised cost)	0.08	0.05
Others	3.85	5.67
Dividend Income	5.27	2.59
Other non operating income		
Profit on sale of fixed assets	13.60	6.21
Profit on sale of penthouse	-	-
Insurance claim received	3.06	2.34
Net gain on sale of mutual fund investments & Shares	7.21	6.76
Fair value gain on investments	2.63	7.50
Foreign Exchange Gain (net)	3.37	1.95
Discount income	5.38	8.23
Arrangement fees	5.78	2.36
Interest on Income Tax Refund	-	0.05
Others	21.22	10.17
	122.72	106.33



Note 20. Cost of materials consumed

	₹ in Crores	
	31-Mar-22	31-Mar-21
Raw Materials Consumed		
Opening Stocks	638.96	453.89
Add: Purchases	5,714.38	3,756.82
Add: Adjustment arising from acquisition	-	-
Less: Transferred to Consumption of stores and spare parts	-	-0.04
Less: Closing stock	-1,032.47	-638.96
	5,320.87	3,571.71
Packing Material Consumed		
Opening Stocks	62.76	32.39
Add: Purchases	880.16	631.44
Less: Closing stock	(80.39)	(62.76)
	862.53	601.07
Direct cost	-	0.05
Cost of materials consumed	6,183.41	4,172.83

UK Paints (India) Private Limited (Consolidated)

Consolidated notes to financial statements for the year ended March 31, 2022

Note 21. Increase/(Decrease) in inventories of finished goods, work-in-process and stock-in-trade

	₹ in Crores	
	31-Mar-22	31-Mar-21
Opening Stock		
Work-in-Process	111.59	87.84
Finished Goods and scrap	873.04	754.31
Traded goods	147.75	109.55
	1,132.38	951.70
Add: Adjustment arising from acquisition	-	-
Add: Stock Adjustment #	-	4.90
	-	-
Closing Stock		
Work-in-Process	153.64	111.59
Finished Goods and scrap	1,257.84	873.04
Traded goods	145.73	147.75
	1,557.21	1,132.38
Increase/(decrease) in inventories of finished goods, work-in-process and traded goods	(419.23)	(175.78)

#Includes finished goods used for purposes other than sale



UK PAINTS (INDIA) PRIVATE LIMITED**Consolidated notes to financial statements for the year ended March 31, 2022****Note 22. Employee Benefit Expense****₹ in Crores**

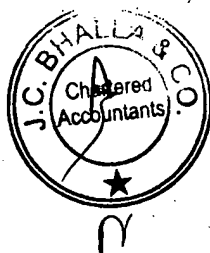
	31-Mar-22	31-Mar-21
Salaries and Wages	630.06	562.65
Contribution to Provident and Other Funds (Refer Note 30)	36.73	32.94
Expense on Employee Stock Option Scheme (Refer Note 31)	5.56	2.90
Staff Welfare Expenses	39.58	37.80
	711.93	636.29

Note 23. Finance Costs**₹ in Crores**

	31-Mar-22	31-Mar-21
Interest on lease liabilities	24.54	18.97
Interest on borrowing and others	37.93	30.74
Exchange differences regarded as an adjustment to borrowing costs	-0.17	0.05
Total Interest expense	62.30	49.76
Unwinding of discount on provisions	0.30	0.27
Bank and other finance charges	1.28	0.95
	63.88	50.98

Note 24. Depreciation and amortization expense**₹ in Crores**

	31-Mar-22	31-Mar-21
Depreciation of tangible assets (including ROU Assets)	298.64	279.74
Amortization of intangible assets	6.23	5.63
	304.87	285.37



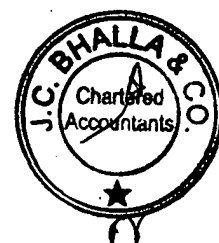
UK Paints (India) Private Limited (Consolidated)

Consolidated notes to financial statements for the year ended March 31, 2022

Note 25. Other Expense

₹ in Crores

	31-Mar-22	31-Mar-21
Freight, Octroi and Delivery	583.66	461.84
Power and Fuel	88.16	73.71
Consumption of stores and spare parts	16.11	11.67
Repairs to Building	3.85	2.06
Repairs to Machinery	33.62	28.67
Repairs to Others	17.55	11.75
Rent (Refer Note 32)	12.18	4.58
Rates and Taxes	11.15	7.14
Travelling	51.04	36.47
Advertisement and Sales Promotion Expenses	424.03	352.45
Insurance	14.11	12.07
Processing Charges	10.51	8.81
Directors' Fees	0.05	0.06
Foreign Exchange Loss (net)	194.90	50.35
Commission to Non-Executive Directors	0.57	0.57
Contingent provision against standard & sub-standard assets	0.00	0.70
Provision for credit impaired	0.44	2.29
Audit Fees (Refer Note 25.1)	1.86	1.80
CSR expenditure (Refer Note 25.2)	18.88	16.86
Security expenses	4.31	4.10
Bank charges	0.01	0.01
Legal and professional	22.51	20.54
Communication	34.57	31.33
Club expenses	0.07	0.18
Research & development	0.53	0.85
Printing and stationery	6.28	5.42
Donations and contributions	0.12	0.08
Job Work expenses	66.24	128.69
Balance written off	7.58	17.24
Membership & Subscription	0.09	0.09
Books & Periodicals	0.01	0.01
Selling Expenses	94.65	79.55
Postage and telecommunication	0.93	0.74
Loss on sale of Investment- Bonds	0.81	0.30
Impairment loss in the value of Investment	-	17.13
Loss on Sale of FVTPL Shares	0.45	1.17
Office Upkeep	69.99	57.99
Provision against Intercompany deposits	11.64	-
Bad debts (Interest accrued on ICD)	0.55	-
Software Development Charges	0.23	-
Loss on sale of vehicle	0.00	-
Miscellaneous Expenses	83.41	143.17
	1,887.64	1,592.45



UK PAINTS (INDIA) PRIVATE LIMITED**Consolidated notes to financial statements for the year ended March 31, 2022****Note 25.1 Auditor's Remuneration**

₹ in Crores		
	31-Mar-22	31-Mar-21
Particulars		
Statutory Audit Fees	1.74	1.64
Tax Audit Fees	0.01	0.05
Miscellaneous Certificates and Other Matters	0.12	0.11
	1.87	1.80

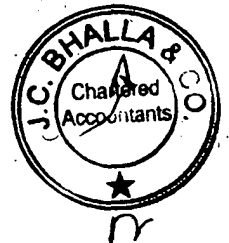
Note 25.2 Details of CSR expenditure:

₹ in Crores		
	31-Mar-22	31-Mar-21
a) Gross amount required to be spent by the group during the year	17.68	15.92
b) Amount spent during the year #:	18.88	16.86

Rs. 1.72 crores Represents CSR activity undertaken during the year for which contractual payment was made subsequent to the year-end.

Note 26. Exceptional Items

₹ in Crores		
	31-Mar-22	31-Mar-21
Workers' profit participation and welfare fund (WPPF)	(18.25)	(16.61)
	(18.25)	(16.61)



UK PAINTS (INDIA) PRIVATE LIMITED**Consolidated notes to financial statements for the year ended March 31, 2022****Note 27(a) Income Tax Expense**

The major components of income tax expense for the years ended 31 March 2022 and 31 March 2021 are:

Profit or loss section**₹ in Crores**

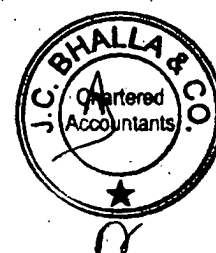
	Year Ended 31-Mar-2022	Year Ended 31-Mar-2021
Current Tax:		
Current income tax charge	455.05	366.49
Adjustments in respect of current income tax of previous year	0.47	0.47
Total Current Tax expense	455.52	366.96
Deferred Tax:		
Relating to the origination and reversal of temporary differences	2.35	-4.26
Total Deferred Tax expense	2.35	(4.26)
Income Tax expense reported in the statement of profit and loss	457.87	362.70

Other Comprehensive Income(OCI) section

Deferred tax related to items recognised in OCI during in the year:

₹ in Crores

	Year Ended 31-Mar-2022	Year Ended 31-Mar-2021
Net loss/(gain) on re-measurement of defined benefit plans	0.11	(0.28)
Net fair value (loss)/gain on investments in equity shares at FVTOCI	7.00	7.09
Income Tax charged to OCI	7.11	6.82



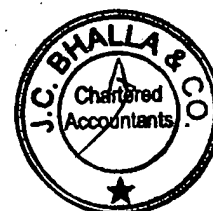
UK PAINTS (INDIA) PRIVATE LIMITED**Consolidated notes to financial statements for the year ended March 31, 2022****Note 27(b) Earnings Per Share**

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Parent 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 Parent 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 reflects the income and share data used in the basic and diluted EPS computations:

	2021-22	2020-21
Net Profit for calculation of Basic and Diluted Earnings Per Share (₹ in crores) (I)	896.34	887.02
Weighted average number of shares (II)		
- Basic	2,53,178	2,53,178
- Diluted	2,53,178	2,53,178
Earning per equity share [nominal value of ₹100 per share] [(I)/(II)]		
- Basic	35,403.49	35,035.52
- Diluted	35,403.49	35,035.52



U.K. PAINTS (INDIA) PVT LTD

Notes to Consolidated Financial Statements for the year ended March 31, 2022

(All amounts in ₹ crores, unless otherwise stated)

28.) Significant accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

(a) Critical accounting judgements

In the process of applying the Group's accounting policies, management has made the following judgement, which has the most significant effect on the amounts recognised in the financial statements:

(i) Lease

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Group's operations considering the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Group has concluded that no changes are required to lease period relating to the existing lease contracts.

(b) Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.



U.K. PAINTS (INDIA) PVT LTD

Notes to Consolidated Financial Statements for the year ended March 31, 2022

(All amounts in ₹ crores, unless otherwise stated)

(i) Defined Employee benefit plans

The cost of the defined benefit plans and other long term employee benefits and the present value of the obligation thereon are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, and attrition and mortality rates. Due to the complexities involved in the valuation and its long-term nature, obligation amount is highly sensitive to changes in these assumptions.

(ii) Useful life and residual value of plant, property equipment

Property, Plant, and equipment represents a significant proportion of the assets base of 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.

(iii) Fair value measurement of financial instruments and guarantees

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. 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. See note 36 for further disclosures.

(iv) Decommissioning Liability value

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 Subsidiary 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 Subsidiary Company's weighted average cost of capital.



U.K. PAINTS (INDIA) PVT LTD**Notes to Consolidated Financial Statements for the year ended March 31, 2022**

(All amounts in ₹ crores, unless otherwise stated)

(v) Impairment allowance on trade receivables

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) Impairment of Goodwill

Impairment test for Goodwill (a) Bolix SA Goodwill of ₹201.26 crores had arisen on acquisition of Bolix SA, 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 SA 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 2022 (Previous Year: 2021) and financial forecast for the years 2023 – 2026 (Previous Years: 2022-2025). 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, 2022	As at March 31, 2021
Average annual increase in cash flows during forecast period (i.e., five years)	10.00%	3.00%
Growth rate used for extrapolation of cash flow projections beyond the five-year period (Previous year: five years)	0.00%	0.00%
Discount rate	9.50%	7.50%

(b) Others

The Group has Goodwill on consolidation arising from acquisition of STP Limited, Berger Hesse Wood Coatings Private Limited and SBL Specialty Coatings Private Limited. Based on such assessment there is no impairment in goodwill that needs to be recognised.

(vii) Revenue from combined contracts: 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 financial statements.



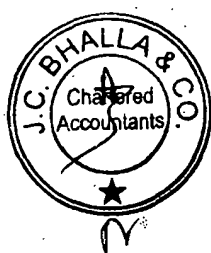
UK PAINTS (INDIA) PRIVATE LIMITED

Consolidated notes to financial statements for the year ended March 31, 2022

Note 29. Information related to subsidiaries, associates and joint ventures.

The subsidiaries, associates & Joint Ventures considered in the consolidated financial statements are as follows:

Name of Company	Country of Incorporation	% voting power as at March 31, 2022	% voting power as at March 31, 2021	Accounting period
Direct subsidiaries				
Citland Commercial Credits Ltd.	India	92.18%	92.18%	1st April – 31st March
Jolly Properties Pvt. Ltd.	India	95.96%	95.95%	1st April – 31st March
Kanwar Properties Pvt. Ltd.	India	99.36%	99.36%	1st April – 31st March
Olly Investments Pvt. Ltd.	India	100%	100%	1st April – 31st March
Scorpio Research & Consultants LLP	India	99.98%	99.98%	1st April – 31st March
U. K. Paints (Overseas) Limited, its subsidiaries and its associate	Jersey	100%	100%	1st April – 31st March
Wang Investment Pvt. Ltd.	India	100.00%	100.00%	1st April – 31st March
Berger Paints India Ltd., its subsidiaries, and its joint ventures.	India	70.84%	70.84%	1st April – 31st March
SandiPack	India		99.99%	1st April – 31st March
InDirect subsidiaries				
Flex Properties Pvt. Ltd.	India	98.00%	98.00%	1st April – 31st March
Direct Associates				
Advantage Housing Pvt. Ltd.	India	33.33%	33.33%	1st April – 31st March
Bigg Investments & Finance Pvt. Ltd (including proportionate share of 6.28%(PY 6.28%) held by subsidiary company)	India	34.70%	34.70%	1st April – 31st March
Efficient Buildcon Pvt. Ltd.	India	33.33%	33.33%	1st April – 31st March
Kap Company General Private Limited	India	33.34%	33.34%	1st April – 31st March
KSD Buildwell LLP	India	50.00%	50.00%	1st April – 31st March
Wisdom Colonizers Pvt. Ltd.	India	33.33%	33.33%	1st April – 31st March



UK PAINTS (INDIA) PRIVATE LIMITED

Consolidated notes to financial statements for the year ended March 31, 2022

Note 30. Employee Benefits Obligation
(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 amount recognised in the Balance Sheet.

₹ in Crores		
Particulars	31/Mar/22	31/Mar/21
Changes in the present value of defined benefit obligation		
Present value of defined benefit obligation as at year beginning	64.30	59.57
Current Service Cost	8.95	8.37
Interest Cost	3.89	3.31
Past Service Cost	-	-
Remeasurements (gains)/losses		
-Actuarial (gains)/losses arising from changes in demographic assumptions*	0.30	0.64
-Actuarial (gains)/losses arising from changes in financial assumptions	-0.48	-0.01
-Actuarial (gains)/losses arising from changes in experience	-0.04	0.63
Benefits Paid/Transferred to gratuity fund/other adjustment	-7.38	-8.21
Present value of defined benefit obligation as at year end	69.54	64.30
* Refer note no. 50		
Changes in fair value of plan assets		
Fair Value of Plan Assets as at year beginning	49.89	41.34
Interest Income	3.28	3.18
Remeasurements (gains)/losses		
-Return on plan assets, (excluding amount included in net Interest expense)	-0.22	-0.29
-Actuarial (gains)/losses arising from changes in financial assumptions	-	-
Employer's Contribution	4.76	9.81
Benefits Paid	-3.88	-4.15
Fair Value of Plan Assets as at year end	53.83	49.89
Amounts Recognised in the Balance Sheet		
Present value of defined benefit obligation at the year end	69.54	64.31
Fair Value of the Plan Assets at the year end	53.83	49.89
Liability/(Asset) Recognised in the Balance Sheet	15.71	14.42

* extracted from UK Paints India Private Limited, Berger Paints Bangladesh Limited & Berger Paints India Limited

₹ in Crores		
Particulars	2021-22	2020-21
Expense recognised in the Statement of Profit and Loss:		
Current Service Cost	8.95	8.37
Net Interest Cost/(Income)	0.60	0.13
Net Cost Recognised in the Statement of Profit and Loss	9.55	8.50
Expense recognised in the Other Comprehensive Income:		
Remeasurements (gains)/losses	(0.47)	1.00
Net Cost Recognised in the Statement of Profit and Loss	(0.47)	1.00

(ii) The principal assumptions used in determining gratuity obligations for the Group's plans are shown below #

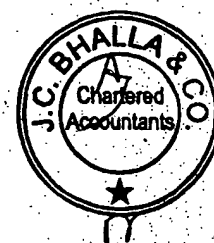
Significant Actuarial Assumptions	31/Mar/22	31/Mar/21
Discount Rate	7.00%	6.70%
Employee turnover	3.00%	3.00%
Salary increase	6.00%	6.00%
Mortality Rate	Indian Assured Lives (Mortality 2006-08 modified) Ult	Indian Assured Lives (Mortality 2006-08 modified) ult

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.



UK PAINTS (INDIA) PRIVATE LIMITED
Consolidated notes to financial statements for the year ended March 31, 2022

(iii) Major category of Plan Assets of the fair value of the total plan assets are as follows: #

	31-Mar-22	31-Mar-21
Assets under scheme of insurance	100%	100%

(iv) A quantitative sensitivity analysis for significant assumption is as shown below:

Assumptions Sensitivity Level	31-Mar-22 Discount rate		31-Mar-21 Discount rate	
	1% increase (Rs. crores)	1% decrease (Rs. crores)	1% increase (Rs. crores)	1% decrease (Rs. crores)
Impact on defined benefit obligation	(5.41)	6.25	3.91	4.52
Assumptions Sensitivity Level	31-Mar-22 Future Salary increase		31-Mar-21 Future Salary increase	
	1% increase (Rs. crores)	1% decrease (Rs. crores)	1% increase (Rs. crores)	1% decrease (Rs. crores)
Impact on defined benefit obligation	6.01	(5.31)	4.35	(3.84)

Impact on defined benefit obligation

(v) Risk Exposure #

Since the employees gratuity fund is a defined benefit plan the liability to be provided will be subject to interest rate risk since the future valuation of benefit depends upon the yield of government bonds for matching maturities

(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 Group on a yearly basis

(vii) The Group expects to contribute '4.57 crores (March 31, 2021: '9.30 crores) to gratuity during the subsequent

(vii) Maturity profile of the defined benefit obligation #

₹ in Crores

	31-Mar-22	31-Mar-21
Weighted Average duration of the defined benefit obligation	9-12 Years	9-12 Years
Within the next 12 months (next annual reporting period)	3.80	3.48
Between 2 and 5 years	21.35	20.59
Between 5 and 10 years	42.30	34.62

(b) Provident Fund

Provident Fund for certain eligible employees is administered 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 and Deterministic Approach 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 group as at the balance sheet date. Further during the year, the group contribution of Rs 7.19 crores (March 31, 2021: Rs 6.25 crore) 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	2021-22	2020-21
Discount rate	6.70%	6.70%
Expected rate of return on Plan Assets	8.50%	8.50%

(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	
	2021-22	2020-21
Provident and Family Pension Fund (applicable for eligible employees whose provident fund accounts are maintained with the Regional Provident Fund Commissioner)	6.09	3.94
Superannuation Fund	2.29	2.01
Other Funds	28.35	26.98
	36.73	32.94



Note 31: 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 Parent 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 Group. 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.
- 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 Rs. 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 and 8th November, 2021.

	As at March 31, 2022	As at March 31, 2021
a. Number of Stock Options outstanding (ESOP Plan 2016: Grant III)	28,843	58,729 *
Number of Stock Options outstanding (ESOP Plan 2016: Grant IV)	50,233	79,028
Number of Stock Options outstanding (ESOP Plan 2016: Grant V)	73,576	
	<u>1,52,652</u>	<u>1,37,757</u>

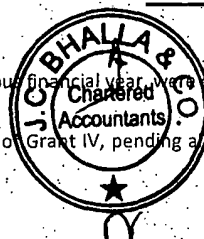
*130 options vested out of total 58,729 options, pending to be exercised at the end of the previous financial year were exercised and allotted in the current financial year.

	As at March 31, 2022	As at March 31, 2021
b. Number of Options granted during the year		
ESOP Plan 2016: Grant IV	-	80,648
ESOP Plan 2016: Grant V	75,910	
	<u>75,910</u>	<u>80,648</u>
c. Number of Options vested (ESOP Plan 2016: Grant II)	-	45,328
Number of Options vested (ESOP Plan 2016: Grant III)	28,844^	30,059
Number of Options vested (ESOP Plan 2016: Grant IV)	25,238	
	<u>54,082</u>	<u>75,387</u>
d. Number of Options exercised (ESOP Plan 2016 : Grant II)	-	45,328
Number of Options exercised (ESOP Plan 2016 : Grant III)	28,452#	29,929
Number of Options exercised (ESOP Plan 2016 : Grant IV)	25,760@	
	<u>54,212</u>	<u>75,257</u>
e. Number of Shares arising on exercise (ESOP Plan 2016: Grant II)	-	45,328
Number of Shares arising on exercise (ESOP Plan 2016: Grant III)	28,452#	29,929
Number of Shares arising on exercise (ESOP Plan 2016: Grant IV)	25,760@	
	<u>54,212</u>	<u>75,257</u>

^includes 522 options of Tranche II of Grant III, pending to be exercised and allotted.

includes 130 options of Tranche I of Grant III pending to be exercised in the previous financial year, were exercised and allotted in the current financial year.

@ includes 522 options of Tranche II of Grant III and 25,238 options of Tranche I of Grant IV, pending allotment at the end of the financial year.



- f. Number of Options lapsed (ESOP Plan 2016: Grant II)
Number of Options lapsed (ESOP Plan 2016: Grant III)
Number of Options lapsed (ESOP Plan 2016: Grant IV)
Number of Options lapsed (ESOP Plan 2016: Grant V)

As at March 31, 2022	As at March 31, 2021
	2,640
914	3,478
3,557	1,620
2,334	-
6,805	7,738

- g. Variation of terms of Option

None during the period	None during the period
---------------------------	------------------------

- h. Total Number of Options in force (ESOP Plan 2016: Grant III)
Total Number of Options in force (ESOP Plan 2016: Grant IV)
Total Number of Options in force (ESOP Plan 2016: Grant V)

28,843	58,729*
50,233	79,028
73,576	-
1,52,652	1,37,757

*130 options vested out of total 58,729 options, pending to be exercised at the end of the previous financial year were exercised and allotted in the current financial year.

- i. Weighted Average exercise price of the Share Options (in Re.)
Outstanding at the beginning of the year
Granted during the year
Forfeited during the year
Exercised during the year
Expired during the year
Outstanding at the end of the year
Exercisable at the end of the period

1	1
1	1
-	-
1	1
1	1
1	1
1	1

- j. Weighted Average share price of options exercised during the year on the date of exercise

As at March 31, 2022	As at March 31, 2021
Re. 1	Re. 1

- k. Weighted Average fair value of the Options granted during the year

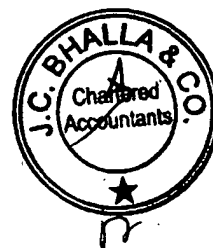
- i. ESOP Plan 2016 Grant I (Fair value as on March 31, 2019)
ii. ESOP Plan 2016 Grant II (Fair value as on March 31, 2019)
iii. ESOP Plan 2016 Grant III (Fair value as on March 31, 2020)
iv. ESOP Plan 2016 Grant IV (Fair value as on March 31, 2021)
v. ESOP Plan 2016 Grant V (Fair value as on March 31, 2022)

NA	NA
NA	NA
NA	NA
NA	757.05
691.41	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 08.11.2021 10.02.2021
ii. Weighted average share price Rs. 699.7 Rs. 765.00
iii. Exercise Price Re. 1 Re. 1
iv. Risk Free Interest rate 6.84% 6.18%
v. Expected Life:
a. For options vested on 09.11.2018 0.61 years
b. For options vested on 09.11.2020 1.61 years 2.61 years
c. For options vested on 11.02.2022 2.87 years 3 years from the vesting day
d. For options yet to be vested 3 years from the vesting day



UK PAINTS (INDIA) PRIVATE LIMITED
Notes to Consolidated Ind AS financial statements for the year ended March 31, 2022

vi.	Expected Volatility	16.91%	21.75%
vii.	Expected dividend yield	0.30%	0.24%
viii.	Weighted Average fair value as on grant date		
	a. ESOP Plan 2016 (Grant II)- 09.11.2017	Rs 247.75	Rs 247.75
	b. ESOP Plan 2016: Grant III - 09.11.2019	Rs 479.59	Rs 479.59
	c. ESOP Plan 2016: Grant IV - 10.02.2021	Rs 755.76	Rs 755.76
	d. ESOP Plan 2016: Grant V - 08.11.2021	Rs 767.88	-
ix.	The price of the underlying share in the market at the time of option grant:		
	a. ESOP Plan 2016: Grant II - 09.11.2017	Rs 253.70	Rs 253.70
	b. ESOP Plan 2016: Grant III - 09.11.2019	Rs 485.40	Rs 485.40
	c. ESOP Plan 2016: Grant IV - 10.02.2021	Rs 762.15	Rs 762.15
	d. ESOP Plan 2016: Grant V - 08.11.2021	Rs 774.95	-
x.	Time to maturity		
	a. ESOP 2016 Plan Grant II vested on 09.11.2018	-	0.61 years
	b. ESOP 2016 Plan Grant III vested on 09.11.2020	1.61 years	2.61 years
	c. ESOP 2016 Plan Grant IV vested on 11.02.2022	2.87 years	3 years from the vesting day
	d. ESOP 2016 Plan Grant V (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 Holding 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 (Re)	As at March 31, 2022		
	No. of options outstanding	Weighted average remaining contractual life	Weighted average exercise price (Re)
NA	-	NA	NA
NA	-	NA	NA
1	28,843	1.61 years	1
1	50,233	2.87 years	1
1	73,576	Yet to be vested	1

Range of exercise prices per option (Re)	As at March 31, 2021		
	No. of options outstanding	Weighted average remaining contractual life	Weighted average exercise price (Re)
NA	-	NA	NA
NA	-	NA	NA
1	58,729	2.61 years	1
1	79,028	Yet to be vested	1



Note 32. Leases

Operating lease — Group as lessor

1. 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 and are included in "Deposits" under "Other financial liabilities" in Note no. 11.

2. The Group has given land and building under operating leases. The Company enters into 1-3 years cancellable lease agreements. 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.

Operating lease — Group as lessee

1. The Group has lease contracts for various depots, head office and leasehold lands used in its operations. Leases of building generally have lease terms between 2 and 15 years, while leasehold land generally have lease terms between 20 and 99 years.

2. The Group has leases that were classified as operating leases and finance leases applying Ind AS 17 against which company has made one time upfront payment in full. For such leases, the carrying amount of the right-of-use asset at the date of initial application of Ind AS 116 is the carrying amount of pre-payment towards leasehold assets at the date of initial application.

3. The Group has entered into lease contracts for its warehouses and Office Building. These lease contracts run for varies generally from 5 years to 10 years. Most of the lease contracts include an option to renew the lease term for additional period after the end of the contract term.

(i) Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Buildings	Leasehold lands	Plant And Machinery	Others	Total
As at March 31, 2021 (restated)	307.67	80.83	6.82	4.33	399.65
Additions	140.74	8.43	0.02	1.89	151.08
Add: Adjustment arising from acquisition	0.97				0.97
Add: Reclassification	7.64				7.64
Deletions/Termination	-2.15		0.08	0.09	-1.98
Depreciation charge	-68.10	-1.17	-2.18	-2.35	-73.81
As at March 31, 2022	386.77	88.09	4.74	3.96	483.56

(ii) Set out below are the carrying amounts of lease liabilities as at year end:

	Year Ended March 31, 2022	Year Ended March 31, 2021
As at 31st March		
Current Portion	81.59	67.23
Non-Current Portion	314.13	231.94
(iii) The following are the amounts recognised in statement of Profit or Loss:	Year Ended March 31, 2022	Year Ended March 31, 2021
Depreciation expense of right-of-use assets	62.40	63.36
Interest expense on lease liabilities	24.54	18.97
Expense relating to short-term leases (included in other expenses)	12.18	4.58
Total amount recognised in Statement of Profit or Loss	99.12	86.91
(iv) The table below provides details regarding the contractual maturities of lease liabilities as on undiscounted basis*:	Year Ended March 31, 2022	Year Ended March 31, 2021 Restated
Less than one year	79.53	54.28
More than one year but less than five years	214.04	154.08
More than five years	419.10	385.45

* Relates to UK Paints (India) Ltd. and Berger Paints India Ltd.



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33. Commitment and Contingent Liabilities

a. Commitments

	₹ in Crores	
	As at 31.03.2022	As at 31.03.2021
Estimated amount of contracts remaining to be executed on capital expenditure and not provided for (net of advances)	441.82	467.58

b. Contingent Liabilities

(i) Claims against the Company not acknowledged as debts:

	₹ in Crores	
	As at 31.03.2022	As at 31.03.2021
Income Tax	181.75	175.92
Sales Tax	33.90	22.06
Excise Duty	26.54	19.36
Goods and Service Tax	3.33	-
Directorate enforcement	0.96	1.36
Demurrage charges	1.86	1.86
	248.34	220.56

The Group has been advised by its lawyers that none of the claims are tenable and hence these are being contested and no provision in the books have been considered necessary for these matters. The future cash flows on account of the above cannot be determined unless the judgements/decisions are received from the ultimate judicial forums. No reimbursements is expected to arise to the Group in respect of above cases.

(ii) Others:

	₹ in Crores	
	As at 31.03.2022	As at 31.03.2021
Letter Of Credit	126.15	93.33
Bank Guarantee	140.52	161.32
Corporate guarantee*	-	5.96

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 Rs 25 crores (March 31, 2021: Rs 25 crores) and the outstanding balance of loan in the books of the joint venture is Rs. Nil crores (March 31, 2021: Rs 5.96 crores) which has been disclosed under contingent liabilities.



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UK Paints (India) Private Limited

Consolidated notes to financial statements for the year ended March 31, 2022

Note 34. Disclosure in respect of Related Parties pursuant to Ind AS 24

List of Related Parties

I) Parties where control exists irrespective of whether transactions have occurred or not

a. The Parent Company is jointly controlled by the following:-

- i) Mr. Kuldeep Singh Dhingra
- ii) Mr. Gurbachan Singh Dhingra
- iii) Meeta Properties LLP

II) Other Parties with whom transactions have taken place during the year

b. Key Managements Personnel's of Holding company and its subsidiaries:-

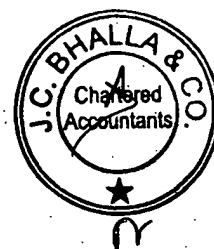
- 1.) Mrs Meeta Dhingra
- 2.) Mrs Vinu Dhingra
- 3.) Mr. Kanwardeep Singh Dhingra
- 4.) Mrs. Rishma Kaur
- 5.) Mr. Naresh Gujral
- 6.) Mr. Abhijit Roy
- 7.) Mr. Srijit Dasgupta
- 8.) Mrs. Sunaina Dhingra
- 9.) Mrs. Anshna Sawhney
- 10.) Mrs. Jessima Kaur
- 11.) Mr. Naveen Choudhary
- 12.) Mr. Anoop Kumar Mittal
- 13.) Mr. Sonu Bhasin
- 14.) Mr. Arunito ganguly
- 15.) Mr. Anoop Hoon

C(i) Direct Associates of U.K. Paints (India) Pvt. Ltd.

- 1.) Efficient Buildcon Pvt. Ltd.
- 2.) Advantage Housing Pvt. Ltd.
- 3.) Bigg Investments & Finance Pvt. Ltd.
- 4.) Kap company Pvt. Ltd
- 5.) KSD Buildwell LLP
- 6.) Wisdom Colonizer Pvt. Ltd.

C(ii) Associates of Berger Paints Bangladesh Ltd.

- 1.) Berger Becker Bangladesh Ltd.
- 2.) Berger Fosroc Ltd.

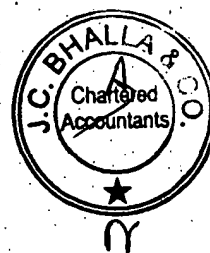


UK Paints (India) Private Limited

Consolidated notes to financial statements for the year ended March 31, 2022

E. Enterprises over which Key Management Personnel, majority Shareholders & their relatives have Significant influence.

- 1 .) Seaward Packaging India Ltd.
- 2 .) Rishkul Properties Pvt. Ltd.
- 3 .) Valerian Hospitality & Hotels Pvt. Ltd.
- 4 .) GSD Buildwell LLP
- 5 .) GSD Paints Pvt. Ltd.
- 6 .) Burgeon Properties Pvt. Ltd.
- 7 .) Surjit Plantations Pvt Ltd.
- 8 .) Meeta Plantations Pvt Ltd.
- 9 .) Kaydee farms Pvt. Ltd.
- 10 .) Vinu Farms Pvt. Ltd.
- 11 .) Wazir Estate Pvt. Ltd.
- 12 .) GB Farms Pvt. Ltd.
- 13 .) VG Properties Pvt. Ltd.
- 14 .) UKPI Plantations Pvt. Ltd.
- 15 .) Emvee Horticuture Pvt. Ltd.
- 16 .) Rishma Meadows Pvt. Ltd.
- 17 .) Kanwar Greenlands Pvt. Ltd.
- 18 .) RPL forest Pvt. Ltd.
- 19 .) Ashi Farms Pvt. Ltd.
- 20 .) Sunaina evergreen Pvt. Ltd.
- 21 .) Anshna Forest Pvt. Ltd.
- 22 .) Amrit Plantation Pvt. Ltd.
- 23 .) Harman Greenfields Pvt Ltd.
- 24 .) Britonia Properties Pvt. Ltd.
- 25 .) Squade Probuild Pvt. Ltd.
- 26 .) Fable Probuild Pvt. Ltd.
- 27 .) Flume Probuild Pvt. Ltd.
- 28 .) Lobelia Buildwell Pvt. Ltd.
- 29 .) Malibu Estate Pvt. Ltd.
- 30 .) Creative Realtech Private Limited
- 31 .) Jessima Spring Farms Pvt. Ltd.
- 32 .) Malibu Town Country Club Pvt. Ltd.
- 33 .) MEPL Maintenance Pvt. Ltd.
- 34 .) KSD Probuild Pvt. Ltd.
- 35 .) Wazir Properties Pvt. Ltd.
- 36 .) Stallion Infratech Pvt. Ltd.
- 37 .) Oakleaf Probuilt LLP
- 38 .) Anshna Properties Pvt. Ltd.
- 39 .) Gurkul Buildtech (P) Ltd
- 40 .) Kfin Technologies Limited
- 41 .) Shalimar Tar Products Limited
- 42 .) Pasque Probiult LLP



UK Paints (India) Private Limited

Consolidated notes to financial statements for the year ended March 31, 2022

f. Key Managements Personnel's Relatives

- 1 .) Mr. Raman Jolly
- 2 .) Mr. Harman Singh Dhingra
- 3 .) Mr. Mohinder Kaur
- 4 .) Sneha Dhingra

g. Joint Venture of Berger Paints India Limited

- 1 .) Berger Nippon Paints Automotive Coatings Private Limited (Formerly known as BNB Coatings India Private Limited).
- 2 .) Berger Becker Coating Private Limited.

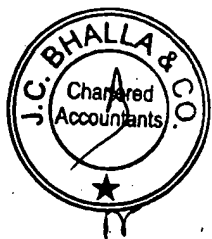
h. Post Employment Plan of Berger Paints India Limited

- 1 .) Berger Paints Provident Fund.
- 2 .) Berger Paints Officers (Non Management Category) Superannuation Fund.
- 3 .) Berger Paints Management Staff Superannuation Fund.
- 4 .) BAICL Employees Superannuation Fund
- 5 .) BAICL Employees Gratuity Fund

i. Post Employment Plan of Berger Paints Bangladesh Limited

- 1 .) BPBL Employees Provident Fund
- 2 .) BPBL Employees Gratuity Fund

(The related party disclosure information as required under Ind AS 24 is given under Schedule A)



UK Paints (India) Pvt. Ltd.

Disclosures on Related Parties (Schedule A)

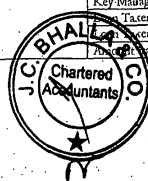
Sr. No.	Name of Related Party	Relationship	Outstanding as on 31.03.2022	Payable/Receivable	Outstanding as on 31.03.2021	Payable/Receivable	Nature of transaction	For the year ended 31st March 2022 *	For the year ended 31st March 2021 *
1	Surjit Plantations Private Ltd.	Enterprises over which Key Management Personnel, Majority shareholders and their relatives have significant influence.			0.00	Receivable	Expenses incurred on their behalf	0.00	0.00
							Amount Received towards expenses incurred	0.00	0.00
2	Wazir Properties Private Ltd.	Enterprises over which Key Management Personnel, Majority shareholders and their relatives have significant influence.	0.00	Receivable	0.00	Receivable	Expenses incurred on their behalf	0.00	0.00
							Sale	0.00	0.00
							Amount Received towards expenses incurred		0.00
3	Meeta Plantations Private Ltd.	Enterprises over which Key Management Personnel, Majority shareholders and their relatives have significant influence.					Expenses incurred on their behalf	0.00	0.00
							Advance Received and Paid	0.00	0.00
4	Kaydee Farms Private Ltd.	Enterprises over which Key Management Personnel, Majority shareholders and their relatives have significant influence.					Expenses incurred on their behalf	0.00	0.00
							Amount Received towards expenses incurred	0.00	0.00
5	Vinu Farms Private Ltd.	Enterprises over which Key Management Personnel, Majority shareholders and their relatives have significant influence.					Expenses incurred on their behalf	0.00	0.00
							Amount Received towards expenses incurred	0.00	0.00
6	Wazir Estates Private Ltd.	Enterprises over which Key Management Personnel, Majority shareholders and their relatives have significant influence.			0.00	Receivable	Expense on their behalf	0.00	0.00
							Expenses incurred on our behalf		-
							Reimbursement of Exp. From	0.00	-
							Sale of goods/Services	-	0.00
							Repayment of expenses on our behalf	-	-
7	UKPI Plantations Pvt. Ltd.	Enterprises over which Key Management Personnel, Majority shareholders and their relatives have significant influence.					Expenses incurred on their behalf	0.00	0.00
							Amount Received towards expenses incurred	0.00	0.00
8	Emvee Horticulture Pvt. Ltd.	Enterprises over which Key Management Personnel, Majority shareholders and their relatives have significant influence.					Expenses incurred on their behalf	-	0.00
							Amount Received towards expenses incurred	-	0.00
9	Rishma Meadows Pvt. Ltd.	Enterprises over which Key Management Personnel, Majority shareholders and their relatives have significant influence.			0.00	Receivable	Expenses incurred on their behalf	0.00	0.01
							Amount Received towards expenses incurred	0.00	0.01
10	Kanwar Greenlands Pvt. Ltd.	Enterprises over which Key Management Personnel, Majority shareholders and their relatives have significant influence.					Expenses incurred on their behalf	0.00	0.00
							Amount Received towards expenses incurred	0.00	0.00
11	RPL Forests Pvt. Ltd.	Enterprises over which Key Management Personnel, Majority shareholders and their relatives have significant influence.			0.00	Receivable	Expenses incurred on their behalf	0.00	0.00
							Amount Received towards expenses incurred	0.00	0.00
12	Ashi Farms Pvt. Ltd.	Enterprises over which Key Management Personnel, Majority shareholders and their relatives have significant influence.					Expenses incurred on their behalf	0.00	0.00
							Amount Received towards expenses incurred	0.00	0.00
13	G. B. Farms Pvt. Ltd.	Enterprises over which Key Management Personnel, Majority shareholders and their relatives have significant influence.					Expenses incurred on their behalf	0.00	0.01
							Amount Received towards expenses incurred	0.00	0.01
14	Sunaina Evergreen Pvt. Ltd.	Enterprises over which Key Management Personnel, Majority shareholders and their relatives have significant influence.					Expenses incurred on their behalf	0.00	0.00
							Amount Received towards expenses incurred	0.00	0.00
15	Anshu Forests Pvt. Ltd.	Enterprises over which Key Management Personnel, Majority shareholders and their relatives have significant influence.					Expenses incurred on their behalf	0.00	0.00
							Amount Received towards expenses incurred	0.00	0.00



Sr. No.	Name of Related Party	Relationship	Outstanding as on 31.03.2022	Payable/Receivable	Outstanding as on 31.03.2021	Payable/Receivable	Nature of transaction	For the year ended 31st March 2022 *	For the year ended 31st March 2021 *
16	Anshna properties Ltd.	Enterprises over which Key Management Personnel, Majority shareholders and their relatives have					Expenses incurred on their behalf	-	0.00
							Amount Received towards expenses incurred	-	0.00
17	Amrit Plantations Pvt. Ltd.	Enterprises over which Key Management Personnel, Majority shareholders and their relatives have					Expenses incurred on their behalf	0.00	0.00
							Amount Received towards expenses incurred	0.00	0.00
18	Harman Greenfields Pvt. Ltd.	Enterprises over which Key Management Personnel, Majority shareholders and their relatives have			0.00	Receivable	Expenses incurred on their behalf	0.00	0.00
							Amount Received towards expenses incurred	0.00	0.00
19	Meeta Properties LLP	Controlling Party	5.02	Payable			Expenses incurred on their behalf	-	0.00
							Loan taken	5.00	-
							Interest Expenses	0.02	-
							Amount Received towards expenses incurred	-	0.00
20	V. G. Properties Pvt. Ltd.	Enterprises over which Key Management Personnel, Majority shareholders and their relatives have					Expenses incurred on their behalf	0.00	0.00
							Amount Received towards expenses incurred	0.00	0.00
21	Jassima Spring Farms Pvt. Ltd.	Enterprises over which Key Management Personnel, Majority shareholders and their relatives have significant influence.			0.00	Receivable	Expenses incurred on our behalf	-	-
22	Creative Realtech Pvt. Ltd.	Enterprises over which Key Management Personnel, Majority shareholders and their relatives have			0.00	Receivable	Expenses incurred on their behalf	0.00	0.00
							Amount Received towards expenses incurred	0.00	0.00
23	Bigg Investments and finance Pvt Ltd.	Associate					Expenses incurred on their behalf	0.00	0.14
							Amount Received towards expenses incurred	0.00	0.14
							Rental Income	0.01	0.01
							GST paid	0.00	0.00
24	Mr. Kuldip Singh Dhillon	Controlling Party/Key Management Personnel	37.03	Payable	10.86	Payable	Expenses incurred on their behalf	0.50	0.71
							Interest on Loan (Net of TDS)	0.46	0.35
							Repayment of Loan	9.27	26.18
							Loan taken	35.48	19.77
							Reimbursement	-	0.08
							Remuneration paid	2.31	2.28
							Loan received	-	0.42
							Sale	0.02	0.02
							Rent expenses	0.18	0.16
							Post Employment and Other Long Term Benefits Accrued during the year	0.04	0.04
25	Mr. Gurbachan Singh Dhillon	Controlling Party/Key Management Personnel	38.24	Payable	6.12	Payable	Expense on our behalf	0.01	0.01
							Expenses incurred on their behalf	0.12	0.30
							Interest on loan taken	0.91	0.26
							Loan Repaid	38.09	22.48
							Loan Taken	69.48	20.96
							Sale of Goods	0.00	0.02
							Remuneration paid	1.74	1.73
							Loan received	-	0.42
							Rent expenses	0.18	0.16
							Post Employment and Other Long Term Benefits Accrued during the year	0.04	0.04



Sr. No.	Name of Related Party	Relationship	Outstanding as on 31.03.2022	Payable/ Receivable	Outstanding as on 31.03.2021	Payable/ Receivable	Nature of transaction	For the year ended 31st March 2022 *	For the year ended 31st March 2021 *
26	Mrs. Meeta Dhingra	Key Management Personnel	20.86	Payable	9.41	Payable	Expense on their behalf Interest on loan taken Loan Repaid Loan Taken Amount received for expenses Remuneration paid Rent expenses Post Employment and Other Long Term Benefits Accrued during the year	0.15 0.14 1.74 12.51 0.00 0.54 0.06 0.03	0.35 0.10 12.31 4.20 0.01 0.54 0.07 0.03
27	Mrs. Vinu Dhingra	Key Management Personnel	29.87	Payable	24.90	Payable	Interest: on loan taken Interest: Paid Loan Repaid Loan Taken Remuneration paid Rent expenses Expense on their behalf Post Employment and Other Long Term Benefits Accrued during the year	1.13 0.01 5.59 8.94 0.65 0.06 0.03	0.38 0.01 19.68 12.22 0.65 0.07 0.03
28	Mr. Raman Jolly	Relative of Key Management Personnel	0.03	Payable	0.21	Payable	Consistency Charges Expense on their behalf Payment Expense on our behalf TDS Payable Remuneration paid Post Employment and other long term benefit accrued during the year	0.21 0.01 0.44 0.00 0.02 0.45 0.02	0.51 0.01 0.25 0.00 0.03 0.36 0.01
29	Mr. Naveen Choudhary	Key Management Personnel					Consistency Charges Expense on their behalf Interest on loan taken Loan Repaid Loan Taken Remuneration paid	0.09 0.00 0.15 5.75 - -	0.09 0.03 0.05 5.62 5.62 0.18
30	Mrs. Anshu Sawhney	Relative of Key Management Personnel	9.49	Payable	15.13	Payable	Consistency Charges Expense on their behalf Interest on loan taken Loan Repaid Loan Taken Expense on their behalf Interest on loan taken	0.09 0.00 0.15 3.89 - - 0.08	0.09 0.03 0.05 3.82 3.82 0.12 0.04
31	Mrs. Sunaina Dhingra	Relative of Key Management Personnel	0.03	Payable	3.86	Payable	Consistency Expenses Expense on their behalf Loan Repaid Remuneration paid	0.09 0.09 4.22 0.27	0.09 0.04 - 0.54
32	Mrs. Jessima Kaur	Relative of Key Management Personnel	19.89	Payable	24.10	Payable	Consistency Charges Expense on their behalf Loan Repaid Remuneration paid amount received for expenses Key Management Personnel Compensation Loan Taken Loan Repaid Amount transferred from KS Dhingra	0.33 0.02 - - - 0.57 3.00 0.02	0.33 0.35 22.45 0.17 0.52 - - -
33	Mrs. Rishma Kaur	Relative of Key Management Personnel	0.01	Payable	1.70	Payable			



Sr. No.	Name of Related Party	Relationship	Outstanding as on 31.03.2022	Payable/ Receivable	Outstanding as on 31.03.2021	Payable/ Receivable	Nature of transaction	For the year ended 31st March 2022 *	For the year ended 31st March 2021 *
34	Mr Kanwar Deep Dhirga	Relative of Key Management Personnel	15.95	Payable	29.90	Payable	Consultancy Charges	0.33	0.33
							Expense on our behalf	-	0.01
							Expense on their behalf	0.38	0.02
							Interest on loan taken	0.33	0.09
							Loan Repaid	13.89	10.33
							Sale	0.00	0.01
							Key Management Personnel Compensation	0.56	0.52
							Loan Taken	-	10.00
35	Seaward Packaging India Ltd.	Enterprises over which Key Management Personnel, Majority shareholders and their relatives have significant influence.	10.40	Receivable	8.21	Receivable	Support Service	0.02	0.00
							Expense on our behalf	-	0.00
							Expense on their behalf	0.11	0.00
							Job Work Income	1.87	2.09
							Purchase of Goods	97.03	63.47
							Reimbursement	0.37	0.06
							Rental Income	-	0.01
							Sale of Goods	1.99	0.64
							Sale of Services	0.00	0.00
							Tax Paid on their Behalf	0.42	0.08
							Other adjustments	-	-
							Loans Given	34.00	25.30
							Interest income	2.22	1.83
							Reimbursement of Expenses	-	-
							Loan repaid	29.55	23.85
36	Ksd Buildwell LLP	Associate	23.17	Receivable	23.17	Receivable	Expense on their behalf	-	0.00
							Reimbursement	-	0.00
							loan given	-	-
							Amount Received	-	-
37	Ksd Probuil Pvt Ltd	Enterprises over which Key Management Personnel, Majority shareholders and their relatives have				Payable	Expenses incurred on their behalf	-	0.47
							Amount received towards expenses incurred	-	-
38	Rishkul Properties Pvt. Ltd	Enterprises over which Key Management Personnel, Majority shareholders and their relatives have	0.00	Receivable			Expenses incurred on their behalf	0.00	0.00
							Amount received towards expenses incurred	-	0.00
39	Valerian Hospitality & Hotels Pvt. Ltd.	Enterprises over which Key Management Personnel, Majority shareholders and their relatives have					Expenses incurred on their behalf	0.00	0.00
							Amount received towards expenses incurred	0.00	0.00
40	GSD Buildwell Pvt Ltd NOW LLP	Enterprises over which Key Management Personnel, Majority shareholders and their relatives have					Expenses incurred on their behalf	-	0.00
							Amount received towards expenses incurred	-	0.00
41	GSD Paints Pvt Ltd	Enterprises over which Key Management Personnel, Majority shareholders and their relatives have					Expenses incurred on their behalf	-	0.00
							Amount received towards expenses incurred	-	0.00
42	Burgeon Properties Pvt Ltd	Enterprises over which Key Management Personnel, Majority shareholders and their relatives have					Expenses incurred on their behalf	-	0.00
							Amount received towards expenses incurred	-	0.00
43	Britona Properties Pvt Ltd	Enterprises over which Key Management Personnel, Majority shareholders and their relatives have					Expenses incurred on their behalf	-	0.00
							Amount received towards expenses incurred	-	0.00
44	Squade Probuil Pvt Ltd	Enterprises over which Key Management Personnel, Majority shareholders and their relatives have					Expenses incurred on their behalf	0.00	0.00
							Amount received towards expenses incurred	0.00	0.00



Sr. No.	Name of Related Party	Relationship	Outstanding as on 31.03.2022	Payable/ Receivable	Outstanding as on 31.03.2021	Payable/ Receivable	Nature of transaction	For the year ended 31st March 2022 *	For the year ended 31st March 2021 *
45	Fable Probuild Pvt Ltd	Enterprises over which Key Management Personnel, Majority shareholders and their relatives have					Expenses incurred on their behalf	-	0.00
46	Plume Probuild Pvt Ltd	Enterprises over which Key Management Personnel, Majority shareholders and their relatives have					Amount received towards expenses incurred	-	0.00
47	Lobelia Buildwell Pvt Ltd	Enterprises over which Key Management Personnel, Majority shareholders and their relatives have					Expenses incurred on their behalf	0.00	0.00
48	Efficient Buildcon Pvt Ltd	Associate	0.01	Receivable			Amount received towards expenses incurred	0.00	0.00
							Expenses incurred on their behalf	0.01	0.01
							Amount received towards expenses incurred - rental income	-	0.10
							GST	0.00	0.00
49	Advantage Housing Pvt Ltd	Associate	0.17	Receivable	0.13	Receivable	Expense on their behalf	0.00	0.00
							Interest on loan given	0.01	0.01
							loan given	0.03	0.09
							loan returned	-	0.06
							Interest received on id	-	0.00
50	Malibu Estate Pvt Ltd	Enterprises over which Key Management Personnel, Majority shareholders and their relatives have significant influence.	1.61		0.22	Receivable	loan given	0.26	8.56
							Advance Repaid	0.01	7.49
							Purchase of Preference Shares	-	6.85
							Support Service	0.32	0.32
							Receipt	0.12	0.24
							TDS Receivable	-0.03	0.02
							Expenses incurred on our behalf	0.23	-
							Rent income	0.01	0.01
							GST	0.00	0.00
							loan returned	-	1.30
							Interest Income	0.01	-
							Sale of property to third party	3.09	-
							Interest received on id	-	0.16
51	Kap Company Private Limited	Associate	0.06	Receivable	0.03	Receivable	Expense on their behalf	-	0.00
							Interest on loan given	0.00	0.00
							loan given	0.03	0.03
52	Berger Becker Costing Pvt. Ltd.	Enterprises over which Key Management Personnel, Majority shareholders and their relatives have significant influence.	10.85	Receivable	0.27	Receivable	Expenses incurred on their behalf	-	-
							Amount received towards expenses incurred	-	-
							Sale	27.02	2.70
							Purchase	-	0.41
							rendering of manpower	0.17	0.05
							Dividend received	2.71	3.92
							warehouse rental income	0.01	0.01
							Rental Income	0.00	0.00
53	Malibu Towns Country Club Pvt. Ltd.	Enterprises over which Key Management Personnel, Majority shareholders and their relatives have significant influence.					GST paid	0.00	0.00
54	Wisdom Coloniser Pvt. Ltd.	Associate	100.10	Receivable	105.31	Receivable	Expense on their behalf	-	0.00
							Purchase of Investment	-	10.00
							interest received on id	-	2.36
							Loan returned	7.35	10.00
							provision made	-	2.22
							Interest income	2.06	0.21
							Purchase of goods	0.35	0.41
							Support Service	0.24	0.24



7

Sr. No.	Name of Related Party	Relationship	Outstanding as on 31.03.2022	Payable/Receivable	Outstanding as on 31.03.2021	Payable/Receivable	Nature of transaction	For the year ended 31st March 2022 *	For the year ended 31st March 2021 *
55	Berger Nippon Paints Automotive Coatings Private Limited (Formerly known as BNB Coatings India Private Limited/BNB Coatings Private Limited)	Joint Venture	18.47	Receivable	10.93	Receivable	Sale of goods/services Security Deposit Received Purchase of Goods Processing Income Job Work Income rental expenses Warehouse rental income and rent income with unbilled revenue Interest Income Loan Given Equity Contribution	19.11 0.25 1.70 5.22 5.68 0.54 0.10 0.07 4.90 -	13.93 - 1.32 5.14 4.60 0.54 1.35 - - 19.60
56	Mohinder kaur	Relative of Designated person	0.03		0.03	Payable			
57	Berger Paints Provident Fund	Post employment Benefit Plan					Contribution to Provident Fund	19.17	17.30
58	Berger Paints Officers (Non Management Category) Superannuation Fund	Post employment Benefit Plan					Contribution to Superannuation Fund	0.54	0.51
59	BAICL Employees superannuation Fund	Post employment Benefit Plan					Contribution to Superannuation Fund	0.04	0.05
60	Berger Paints Management Staff Superannuation Fund	Post employment Benefit Plan					Contribution to Superannuation Fund	1.71	1.46
61	Dr. Anoop Kumar Mittal	Independent Director	0.07	Payable	0.06	Payable	Director Commission & Fees	0.07	0.06
62	Mr. Naresh Gujral	Independent Director	0.07	Payable	0.06	Payable	Director Commission & Fees	0.07	0.06
63	Mrs. Sonu Halan Bhasin	Independent Director	0.07	Payable	0.06	Payable	Director Commission & Fees	0.07	0.06
64	Mr. Anoop Hoon	Independent Director	0.07	Payable	0.06	Payable	Director Commission & Fees	0.07	0.06
65	Mr. Abhijit Roy	Key Management Personnel	0.95	Payable	0.65	Payable	Key Management Personnel Compensation	5.84	4.30
66	Mr. Srijit Dasgupta	Key Management Personnel			0.08	Payable	Key Management Personnel Compensation	1.87	1.84
67	BAICL Employees Gratuity Fund	Post employment Benefit Plan					Contribution to Gratuity Fund	0.16	0.23
68	Mr. Anurito Ganguly	Key Management Personnel	0.02	Payable	0.01	Payable	Key Management Personnel Compensation	0.53	0.46
69	Sunaina kohli	Key Management Personnel	0.01	Payable			Remuneration Paid Sale	0.18 0.00	0.18
70	BPBL Employees provident fund	Post employment Benefit Plan					Contribution to provident fund	4.39	4.10
71	BPBL Employees gratuity fund	Post employment Benefit Plan	0.46	Payable	0.00	Receivable	Contribution to provident fund	3.08	2.78
72	Berger Fosroc Limited	Associate	7.57	Receivable	0.02	Receivable	Material and service	36.94	18.77
73	Berger Becker Bangladesh limited	Associate	0.10	Receivable	0.01	Receivable	Service	0.47	2.40
74	Others #	Others					Dividend paid	28.36	2.81
75	Gurukul buildtech	Enterprises over which Key Management Personnel, Majority shareholders and their relatives have significant influence.					Expense on their behalf	0.00	0.00
76	Mr. Harman Singh Dhingra	Relative of Key Management Personnel					Expense on our behalf Reimbursement	- -	0.12 0.12
77	MEPL Maintenance Pvt. Ltd.	Enterprises over which Key Management Personnel, Majority shareholders and their relatives have significant influence.					Rent received Management fees received Expenses reimbursement received (Net)	- - -	0.02 0.44 1.39
78	Sneha Dhingra	Key Management Personnel and their relatives	0.01	Payable			Remuneration Paid	0.27	0.27
79	Stallion Infratech Pvt. Ltd.	Enterprise owned or significantly influenced by key managerial personnel & their relatives	0.06	Receivable			Interest Income Loan Given Expenses incurred on their behalf	0.00 0.03 0.00	- - -



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Sr. No.	Name of Related Party	Relationship	Outstanding as on 31.03.2022	Payable/ Receivable	Outstanding as on 31.03.2021	Payable/ Receivable	Nature of transaction	For the year ended 31st March 2022 *	For the year ended 31st March 2021 *
79	Stallion Infratech Pvt. Ltd.	Enterprise owned or significantly influenced by key managerial personnel & their relatives	0.06	Receivable			Interest Income	0.00	-
							Loan Given	0.03	-
							Expenses incurred on their behalf	0.00	-
80	Pasque Probiult LLP	Entity controlled by Key Managerial Personnel	0.03	Payable			Sale of Property, Plant & Equipment	5.20	-
							Rent Expenses	0.05	-
81	Shalimar Tar Products Limited	Entity controlled by Key Managerial Personnel	0.00	Receivable			Rental income	-0.04	-
82	Oakleaf Probiult LLP	Entity controlled by Key Managerial Personnel	0.15	Receivable			Rent Expenses	1.36	-
							Security deposit Given	0.15	-
83	Kfin Technologies Limited	Entity controlled by Key Managerial Personnel	0.00	Payable			Professional Service Expenses	0.01	-

Extracted from Berger Paints India Limited

* Refer note no. 50



UK PAINTS (INDIA) PRIVATE LIMITED

Consolidated notes to financial statements for the year ended March 31, 2022

35 Disclosure of additional information pertaining to the Parent Company, Subsidiaries, Associates and Joint Ventures

₹ in Crores

Entity Name	2021-22 Net assets				2021-22 Share of Profit/Loss		2021-22 OCI		2021-22 TCI	
	% of consolidated assets	Amount	Knock off	Amount	% of consolidated profit and loss	Amount	% of consolidated OCI	Amount	% of consolidated TCI	Amount
Parent										
U.k. Paints India Pvt. Ltd	13.52	1,055.87	-10.79	1,045.08	(1.96)	(17.60)	7.38	16.42	(0.11)	(1.18)
Parent share in Indian Subsidiaries										
Citland Commercial Credits Ltd.	1.60	137.93	-14.34	123.59	0.21	1.91	0.21	0.46	0.21	2.37
Jolly Properties Pvt. Ltd.*	0.00	0.09	0.13	0.22	(0.00)	(0.00)	-	-	(0.00)	(0.00)
Kanwar Properties Pvt. Ltd.	0.04	3.71	-0.32	3.38	0.04	0.34	0.00	0.00	0.03	0.34
Olly Investments Pvt. Ltd.*	0.01	2.86	-2.33	0.54	0.00	0.02	-	-	0.00	0.02
Scorpio Research & Consultants LLP*	0.47	4.29	32.26	36.55	0.41	3.69	-	-	0.33	3.69
Wang Investment Pvt. Ltd.	2.45	219.03	-29.62	189.41	0.35	3.18	14.84	33.03	3.24	36.21
Berger Paints India Ltd., its subsidiaries, and its joint ventures.	36.52	3,934.17	-1,111.95	2,822.22	65.83	590.10	(5.02)	(11.18)	51.76	579.09
Flex Properties Private Limited (Indirect)	0.05	3.97	-0.28	3.69	0.05	0.46	-	-	0.04	0.46
SandiPack*	-	-	-	-	0.00	0.00	-	-	0.00	0.00
Parent share in Foreign Subsidiaries										
U. K. Paints (Overseas) Limited. and its subsidiaries and its associates	29.47	2,622.17	-344.66	2,277.51	6.42	57.51	84.09	187.13	21.86	244.64
Minority Interest in all Subsidiaries	15.72	1,214.39		1,214.39	28.61	256.47	(1.60)	(3.55)	22.60	252.91
Indian Associates (Direct)										
Bigg Investment and finance Pvt. Ltd.	0.11	-	8.88	8.88	0.23	2.03	0.01	0.02	0.18	2.06
Advantage Housing Pvt. Ltd.*	-0.00	-	-0.08	-0.08	(0.00)	(0.02)	-	-	(0.00)	(0.02)
Efficient Buildcon Pvt Ltd.*	-0.00	-	-0.05	-0.05	(0.00)	(0.01)	-	-	(0.00)	(0.01)
KAP Company General Pvt. Ltd.*	-0.00	-	-0.12	-0.12	(0.00)	(0.03)	-	-	(0.00)	(0.03)
Wisdom Colonizers Pvt. Ltd.*	0.03	-	2.13	2.13	(0.19)	(1.70)	-	-	(0.15)	(1.70)
KSD Buildwell LLP*	-0.00	-	-0.01	-0.01	(0.00)	(0.00)	-	-	(0.00)	(0.00)
	100.00	9,198.50	(1,471.15)	7,727.36	100.00	896.34	99.91	222.53	100.00	1,118.87

Note: The above figures are after eliminating intra group transactions and intra group balances as on 31st March 2022

* Refer note no. 50



UK PAINTS (INDIA) PRIVATE LIMITED

Consolidated notes to financial statements for the year ended March 31, 2021

35 Disclosure of additional information pertaining to the Parent Company , Subsidiaries, Associates and Joint Ventures

₹ in Crores

Entity Name	2020-21 Net assets				2020-21 Share of Profit/Loss		2020-21 OCI		2020-21 TCI	
	% of consolidated assets	Amount	Knock off	Amount	% of consolidated profit and loss	Amount	% of consolidated OCI	Amount	% of consolidated TCI	Amount
Parent										
U.k. Paints India Pvt. Ltd	14.34	934.76	28.97	963.72	1.94	17.20	10.28	26.71	3.83	43.91
Parent share in Indian Subsidiaries										
Citland Commercial Credits Ltd.	1.20	125.92	-45.04	80.88	0.66	5.82	(0.04)	(0.10)	0.50	5.72
Jolly Properties Pvt. Ltd.*	0.00	0.10	0.13	0.23	(0.00)	(0.01)	-	-	(0.00)	(0.01)
Kanwar Properties Pvt. Ltd.	0.05	3.37	-0.32	3.05	0.03	0.24	-	-	0.02	0.24
Olly Investments Pvt. Ltd.*	0.01	2.84	-2.33	0.51	0.00	0.02	-	-	0.00	0.02
Scorpio Research & Consultants LLP*	0.56	0.60	37.03	37.63	(0.01)	(0.06)	-	-	(0.01)	(0.06)
Wang Investment Pvt. Ltd.	2.01	174.91	-40.12	134.78	1.31	11.60	1.84	4.78	1.43	16.38
Berger Paints India Ltd. , its subsidiaries, and its joint ventures.	36.08	3,383.92	-959.88	2,424.04	57.48	509.88	3.42	8.88	45.23	518.76
Flex Properties Private Limited (Indirect)	0.05	3.51	-0.27	3.24	0.05	0.47	-	-	0.04	0.47
SandiPack*	0.00	0.10	-	0.10	0.00	0.00	-	-	0.00	0.00
Parent share in Foreign Subsidiaries										
U. K. Paints (Overseas) Limited. and its subsidiaries and its associates	29.96	2,349.05	-335.74	2,013.31	13.99	124.09	83.46	216.82	29.73	340.91
Minority Interest in all Subsidiaries	15.63	1,050.02		1,050.02	25.03	222.00	1.09	2.82	19.60	224.82
Indian Associates (Direct)										
Bigg Investment and finance Pvt. Ltd.	0.10	-	6.80	6.80	(0.14)	(1.28)	(0.04)	(0.12)	(0.12)	(1.39)
Advantage Housing Pvt. Ltd.*	-0.00	-	-0.06	-0.06	(0.00)	(0.01)	-	-	(0.00)	(0.01)
Efficient Buildcon Pvt Ltd.*	-0.00	-	-0.04	-0.04	(0.00)	(0.01)	-	-	(0.00)	(0.01)
KAP Company General Pvt. Ltd.*	-0.00	-	-0.09	-0.09	(0.00)	(0.02)	-	-	(0.00)	(0.02)
Wisdom Colonizers Pvt. Ltd.*	0.01	-	0.92	0.92	(0.33)	(2.91)	-	-	(0.25)	(2.91)
KSD Buildwell LLP*	-0.00	-	-0.00	-0.00	(0.00)	(0.00)	-	-	(0.00)	(0.00)
	100.00	8,029.10	(1,310.08)	6,719.02	100.00	887.02	100.00	259.79	100.00	1,146.81

Note: The above figures are after eliminating intra group transactions and intra group balances as on 31st March 2021

* Refer note no. 50



UK PAINTS (INDIA) PRIVATE LIMITED**Consolidated notes to financial statements for the year ended March 31, 2022****Note 36 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/ Other Comprehensive income at 31 March 2022**

	Level 1	Level 2	Level 3	Total
Financial Assets				
Investment in Mutual Funds		201.61	-	201.61
Investment in quoted equity instruments at FVTPL	15.84			15.84
Investment in quoted equity instruments at FVTOCI	886.86			886.86
Investment in unquoted equity instruments*	-	-	34.05	34.05
Investment in unquoted preference instruments*			6.85	6.85
Financial Liabilities				
Derivatives not designated as hedges	-	-	-	-

Financial assets and liabilities measured at fair value through profit and loss/ Other Comprehensive income at 31 March 2021

	Level 1	Level 2	Level 3	Total
Financial Assets				
Investment in Mutual Funds		205.77	-	205.77
Investment in quoted equity instruments at FVTPL	15.60			15.60
Investment in quoted equity instruments at FVTOCI	908.54			908.54
Investment in unquoted equity instruments*	-	-	38.96	38.96
Investment in preference instruments at FVTPL			6.85	
Financial Liabilities				
Derivatives not designated as hedges	-	-	-	-

(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 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 Previous year there has been no transfer from one level to another

(d) Also refer note 16a & 16b

(e) Refer note no. 50

(f) **Valuation technique used to determine fair value**

Specific valuation techniques used to value financial instruments include:

- the fair value of the mutual funds is determined using daily NAV as declared for the particular scheme by the Asset Management Company. The fair value estimates are included in Level 2.

- The Group uses Net asset value method for the purpose of valuation of unquoted shares at FVTPL under level 3.

(g) However certain unquoted investments (Refer note 5a) are valued at cost, in the view of management the impact of the same on the financials are not material.



UK PAINTS (INDIA) PRIVATE LIMITED

Consolidated notes to financial statements for the year ended March 31, 2022

Note 37. 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 also holds 'Fair Value Through Other comprehensive Income' (FVTOCI) investments and enters into derivative transactions by way of forward exchange contracts to hedge its payables.

The Group is exposed to market risk, credit risk and liquidity risk. The Company's Board of Directors oversees the management of these risks. The 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 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 personnels 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 Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

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, FVTOCI 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, 2022.

The analysis 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 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, 2022 and March 31, 2021.
- ▶ The sensitivity of equity is calculated as at March 31, 2022 for the effects of the assumed changes of the underlying risk

Interest rate risk

The Group has incurred short term debt to finance its working capital, which exposes 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.

The Group has incurred long term debt to finance acquisition, which exposes it to interest rate risk. Some of the Group's borrowings are index linked, that is their cost is linked to changes in the London inter-bank offer rate (LIBOR).

Although the Group has significant variable rate interest bearing liabilities at March 31, 2022, there would not be any material impact on pretax profit and pretax equity of the Group on account of any anticipated fluctuations in interest.

Foreign currency risk

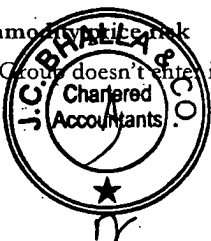
The Group has a policy of entering into foreign exchange forward contracts to manage risk of foreign exchange fluctuations on borrowings and payables. These contracts are not designated in hedge relationships and are measured at fair value through profit or loss. Foreign currency risk is the risk that 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.

The Group proactively hedged its currency exposures in case of a significant movement in exchange rates for imports and in case the hedged cost of foreign currency instrument is lower than the domestic cost of borrowing in case of short term import financing.

There are no outstanding derivative contracts as at March 31, 2022 and March 31, 2021.

Commodity price risk

The Group doesn't enter into any long term contract with its suppliers for hedging its commodity price risk.



UK PAINTS (INDIA) PRIVATE LIMITED**Consolidated notes to financial statements for the year ended March 31, 2022****Equity price risk**

Equity price risk in respect of listed and non listed equity securities which are susceptible to market price risk arising from uncertainties about future value of the investment securities. In view of investments being held by the Group, the management of the magnitude of the risk is outsourced and managed by the specialised brokerage firm.

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.

The concentration of Credit Risk is limited as the customer base is large. There is no customer representing more than 5% 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. Additionally, considering the COVID 19 situation, 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.

Movement in expected credit loss allowance on trade receivable

Balance at the beginning of the year
Loss allowance measured at lifetime expected credit losses (net of bad debts)
Balance at the end of the year

As at March 31, 2022	As at March 31, 2021
31.91	31.79
7.96	0.12
39.87	31.91

Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored by BPRMC and corrective actions taken.

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 Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

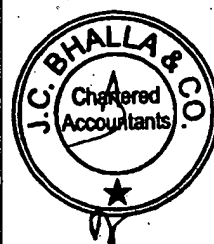
The Group's maximum exposure to credit risk for the components of the balance sheet at 31 March 2022 and 31 March 2021 is the carrying amounts as illustrated in Note 16(a)

Liquidity risk

The Group monitors its risk of a shortage of funds using a liquidity planning tool.

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.

Particulars	31-03-2022	31-03-2021
Current financial assets (CFA)	2,888.46	2,804.81
Non-current financial assets (NCFA)	1,457.27	1,392.68
Total financial assets (FA)	4,345.73	4,197.49
Current financial liabilities (CFL)	3,241.26	2,375.52
Non-current financial liabilities (NCFL)	87.99	225.01
Total financial liabilities (FL)	3,329.25	2,600.52
Ratios		
CFA/ CFL	0.89	1.18
NCFA/NCFL	16.56	6.19
FA/FL	1.31	1.61



UK PAINTS (INDIA) PRIVATE LIMITED

Consolidated notes to financial statements for the year ended March 31, 2022

Note 38. Capital management

For the purpose of the Group 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 Parent Company's capital management is to maximise the shareholder value.

The Group avails short term borrowings to breach its working capital gap and finances its capital expenditure through internal generation of funds.

	31-Mar-22	31-Mar-21
Borrowings	892.08	567.95
Less: cash and cash equivalents	(950.51)	(764.26)
Net debt	-58.43	-196.31
Total capital	7,727.36	6,719.02
Capital and net debt	7,668.93	6,522.71
Gearing ratio	-1%	-3%

In order to achieve this overall objective, the Group 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. 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 31 March 2022 and 31 March 2021.



UK PAINTS (INDIA) PRIVATE LIMITED**Consolidated notes to financial statements for the year ended March 31, 2022**

Note 39 Depreciation amounting to Rs.226.51 crores of Berger Paints India Limited and Rs 65.77 crores of Berger Paints Bangladesh Limited has been computed on Straight Line Method (SLM).

Note 40 Inventory amounting to Rs.2315.83 crores of Berger Paints India Limited have been valued at Weighted Average Method.

Note 41 Shares held by subsidiary companies in parent:-

Two of our subsidiaries namely, Citland Commercial Credits Limited and Wang Investments and Finance Private Limited are holding together 296 Equity Shares of Rs 100 each in Holding Company i.e, UK Paints (India) Private Limited. As per guidance provided by Ind AS it has been treated as treasury shares. Capital Loss amounting to Rs 1.51 crores on account of cross holdings has been adjusted with Capital Reserve arising on account of acquisitions.

Note 42 Interest in other entities (Refer note 5)

Interest in direct associates

Details of the Parent company direct associates at the end of the reporting period is as follows:

Name of associates	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group	
		31-Mar-22	31-Mar-21
1) Advantage Housing Private Limited	India	33.33%	33.33%
2) Bigg Investments & Finance Private Limited	India	34.70%	34.70%
3) Efficient Buildcon Private Limited	India	33.33%	33.33%
4) Kap Company General Private Limited	India	33.34%	33.34%
5) KSD Buildwell LLP	India	50.00%	50.00%
6) Wisdom Colonizers Private Limited	India	33.33%	33.33%

The above associates is accounted for using the equity method in these consolidated financial statements.

- 1) Reconciliation of the Net assets to the carrying amount of the interest in the associates recognised in consolidated financial statements:

	31-Mar-22	31-Mar-21
Net assets of Advantage Housing Private Limited	35.22	35.28
Group's share in %	33.33%	33.33%
Group's share in	11.74	11.76
Adjustments:		
Goodwill generated on acquisition of shares in associate	0.05	0.05
Group's share in adjustment for tax on balance undistributed profits	-	-
Carrying amount	11.79	11.81

- 2)

	31-Mar-22	31-Mar-21
Net assets of Bigg Investments & Finance Private Limited	35.46	29.53
Group's share in %	34.70%	34.70%
Group's share in	12.31	10.25
Adjustments:		
Other adjustment	0.70	0.70
Group's share in adjustment for tax on balance undistributed profits	-	-
Carrying amount	13.01	10.95



UK PAINTS (INDIA) PRIVATE LIMITED
Consolidated notes to financial statements for the year ended March 31, 2022

3)		31-Mar-22	31-Mar-21
	Net assets of Efficient Buildcon Private Limited	7.78	7.81
	Group's share in %	33.33%	33.33%
	Group's share in	2.59	2.60
	Adjustments:		
	Goodwill generated on acquisition of shares in associate	0.00	0.00
	Group's share in adjustment for tax on balance undistributed profits	-	-
	Carrying amount	2.59	2.60
4)		31-Mar-22	31-Mar-21
	Net assets of Kap Company General Private Limited	-0.10	-0.02
	Group's share in %	33.34%	33.34%
	Group's share in	-0.03	-0.01
	Adjustments:		
	Goodwill generated on acquisition of shares in associate	12.77	12.77
	Group's share in adjustment for tax on balance undistributed profits	-	-
	Carrying amount	12.74	12.76
5)		31-Mar-22	31-Mar-21
	Net assets of KSD Buildwell LLP	-0.01	-0.01
	Group's share in %	50.00%	50.00%
	Group's share in	-0.00	-0.00
	Adjustments:		
	Goodwill generated on acquisition of shares in associate		
	Group's share in adjustment for tax on balance undistributed profits	0.00	0.00
	Carrying amount	0.00	0.00
6)		31-Mar-22	31-Mar-21
	Net assets of Wisdom Colonizers Private Limited.	9.27	5.64
	Group's share in %	33.33%	33.33%
	Group's share in	3.09	1.88
	Adjustments:		
	Goodwill generated on acquisition of shares in associate	0.71	0.71
	Group's share in adjustment for tax on balance undistributed profits	-	-
	Carrying amount	3.80	2.59

Note 43 Impact of unrealized profit on closing stock has not been considered in relation to sale by parent company to Berger Paints India Limited.

Note 44 The consolidated financial statements were approved for issue by the Board of Directors of the Parent company on 28th September, 2022 subject to approval of shareholders.



UK PAINTS (INDIA) PRIVATE LIMITED

Consolidated notes to financial statements for the year ended March 31, 2022

Note no. 45

A Ageing schedule of trade receivables

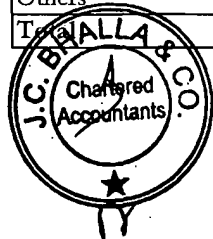
31 March 2022	Outstanding from the due date of payment						Total
	Current but not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	851.41	192.46	160.92	28.51	4.68	2.18	1,240.16
Undisputed trade receivables – credit impaired	0.29	1.81	11.15	2.97	3.78	10.66	30.68
Disputed trade receivables - credit impaired	0.14	0.02	0.20	1.63	3.49	3.72	9.19
Total	851.84	194.29	172.27	33.11	11.95	16.56	1,280.01

31 March 2021	Outstanding from the due date of payment						Total
	Current but not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	815.32	218.60	140.05	11.84	6.33	1.10	1,193.23
Undisputed trade receivables – credit impaired	0.35	4.14	9.40	4.27	3.17	4.25	25.58
Disputed trade receivables - credit impaired	-	-	-	1.17	1.74	3.42	6.33
Total	815.67	222.74	149.45	17.28	11.23	8.77	1,225.14

B Ageing schedule of trade payables

31 March 2022	Outstanding from the due date of payment						Total
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Micro, small and medium enterprises	-	50.07	12.66	1.66	1.20	1.80	67.39
Others	399.83	1,053.17	660.71	8.28	1.56	6.82	2,130.37
Total	399.83	1,103.24	673.37	9.94	2.76	8.62	2,197.76

31 March 2021	Outstanding from the due date of payment						Total
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Micro, small and medium enterprises	-	48.56	11.09	1.37	0.57	1.44	63.03
Others	389.51	808.47	539.54	9.91	4.17	11.24	1,762.83
Total	389.51	857.03	550.62	11.28	4.74	12.68	1,825.86



Note 46 - COVID -19 Assessment

During the year, the Group's business operations were initially impacted due to COVID-19 pandemic and consequent lockdowns. While the pandemic situation has improved significantly in the last nine months of the current year, the Group is closely monitoring the uncertainties arising from continuing COVID-19 pandemic and has taken into consideration possible effects of such pandemic for preparation of these financial statements, including assessment of recoverability of its assets based on the internal and external information upto the date of approval of the financial statements. The Group will also continue to monitor any material impact of future economic conditions.

Note 47 - Social Security Code

The Indian Parliament has approved the Code on Social Security, 2020 ('the Code') which, inter alia, deals with employee benefits during employment and post employment. The Code has been published in the Gazette of India. The effective date of the Code is yet to be notified and the rules for quantifying the financial impact are also yet to be issued. In view of this, the impact of the change, if any, will be assessed and recognized post notification of the relevant provisions.

Note 48 - Additional regulatory information required by Schedule III to The Companies Act, 2013

(i) The Holding Company and its Indian Subsidiaries and Indian joint ventures and its indian associates 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 and its indian associates 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 Holding Company and its Indian Subsidiaries and Indian joint ventures and its indian associates do 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

I. 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

II. 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.



UK PAINTS (INDIA) PRIVATE LIMITED

Consolidated notes to financial statements for the year ended March 31, 2022

Note 49 Previous year's figures have been regrouped and reclassified to conform to current year's classification wherever necessary.

Note 50 All figures are in Rupees Crores. Figures shown as zero (0) are below the rounding off norm adopted by the Parent Company.

Note 51 Provision for Income taxes has been estimated by the Group based upon returns filed, assessments so far completed and subject to expected relief in appeals.

As per our report of even date

On behalf of Board of Directors

For J.C. Bhalla & Co.
Firm Registration Number 001111N
Chartered Accountants



Akhil Bhalla
Partner
Membership Number : 505002
Place: New Delhi

Dated: *September 28, 2022*



Kuldip Singh Dhingra
Director
Din-00048406



Gurbachan Singh Dhingra
Director
Din-00048465



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U.K. PAINTS (INDIA) PVT LTD

Notes to Consolidated Financial Statements for the year ended March 31, 2022

(All amounts in ₹ crores, unless otherwise stated)

1. Corporate Operations

U K Paints (India) Pvt. Limited ('UKIP' or 'the Parent Company' or 'the Company') was incorporated in India on 5th of June 1979 as a Private Limited Company registered under The Companies Act 1956 and was converted in Public Limited Company as on 25th October 2012 and re-converted into Private Limited Company on 29th May, 2015. The main activity of the Holding Company is manufacturing of Paint containers and Job work on paints. U K Paints (India) Pvt. Limited (the 'Holding Company') is a private limited company with its subsidiaries, Associates & Joint Ventures (collectively referred to as the 'Group').

2. Significant Accounting Policies

2.1 Basis of Preparation

The consolidated financial statements of the Group for the year ended March 31, 2022 have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Act read with 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.

The Consolidated Ind AS 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 Ind AS Financial Statements are presented in INR and all values are rounded to the nearest of crores, except when otherwise indicated. These consolidated 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.

2.2 Basis of Consolidation

The consolidated Ind AS financial statements comprise the financial statements of the Company and its subsidiaries as at March 31, 2022. 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



U.K. PAINTS (INDIA) PVT LTD

Notes to Consolidated Financial Statements for the year ended March 31, 2022

(All amounts in ₹ crores, unless otherwise stated)

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 Ind AS financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated Ind AS 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 Ind AS 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 Ind AS financial statements to ensure conformity with the group's accounting policies.

Consolidation Process:

Consolidated financial statements relate to U K Paints (India) Private Limited, the Parent Company and its subsidiaries (the Group). The consolidated financial statements are in conformity with the Accounting Standard - 110 on Consolidated Financial Statements as notified under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant Provisions of the Companies Act, 2013 and are prepared as set out below:

- i. Combine like items of assets, liabilities, income and expenses, equity, and cash flow of the parent 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.
- ii. Offset (eliminate) the carrying amount of the parent's portion of equity of each subsidiary. Business combination policy explains how to account for any related goodwill.
- iii. 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 fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements.



U.K. PAINTS (INDIA) PVT LTD

Notes to Consolidated Financial Statements for the year ended March 31, 2022

(All amounts in ₹ crores, unless otherwise stated)

Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

- iv. The consolidated financial statements are prepared by adopting uniform accounting policies for like transactions and other events in similar circumstances (except as disclosed under note 39 and 40) and are presented to the extent required and possible, in the same manner as the Parent Company's separate financial statements.
- v. 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.
- vi. The excess of cost to the Parent Company of its investment in the subsidiaries over the Parent's portion of equity of the subsidiaries at the dates they became subsidiaries is recognized in the financial statements as Goodwill.
- vii. 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.
- viii. Associates are entities over which the Group exercises significant influence. Investments in associates 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.
- ix. A parent shall present non-controlling interests in the consolidated balance sheet within equity, separately from the equity of the owners of the parent.
- x. An entity shall attribute the profit or loss and each component of other comprehensive income (OCI) to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having 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.



Changes in the proportion held by non-controlling interests

When the proportion of the equity held by non-controlling interest changes, an entity shall adjust the carrying amounts of the controlling and non-controlling

U.K. PAINTS (INDIA) PVT LTD

Notes to Consolidated Financial Statements for the year ended March 31, 2022

(All amounts in ₹ crores, unless otherwise stated)

interests to reflect the changes in their relative interests in the subsidiary. The entity shall recognize directly in equity any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received, and attribute it to the owners of the parent.

3. Summary of Significant Accounting Policies

a) 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 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.

b) Foreign Currencies

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates ('the functional currency'). The financial statements are presented in Indian Rupee (INR), which is the Group's functional and presentation 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 Ltd (Subsidiary), Citland Commercial Credits Ltd (Subsidiary), Olly Investment Private Ltd. (Subsidiary), Jolly Investments Private Ltd. (Subsidiary), Kanwar Properties Private Ltd. (Subsidiary), Scorpio research and Consultants LLP (subsidiary), Wang Investments and Finance Ltd. (Subsidiary), Flex Properties Private Ltd. (Subsidiary), Kap Company General Private Ltd. (Associate), KSD Buildwell Private Ltd. (Associate), Wisdom Colonizer Private Ltd. (Associate), Efficient Buildcon Private Ltd.



U.K. PAINTS (INDIA) PVT LTD

Notes to Consolidated Financial Statements for the year ended March 31, 2022

(All amounts in ₹ crores, unless otherwise stated)

(Associate), Advantage Housing Private Ltd. (Associate), Bigg Investment and Finance Private Ltd. (Associate) is Indian rupee. The functional currency of other subsidiaries including step down subsidiaries and step-down joint venture and associates included within the Group are the respective local currencies.

Transactions and Balances

Transactions in foreign currencies are initially recorded in by the respective companies at spot rates at the functional currency spot rate (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 profit or 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 was 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 profit or loss are also recognised in OCI or profit or loss, respectively).

Group companies

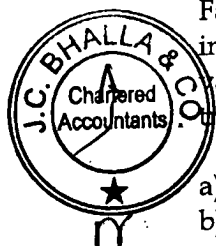
On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their Statements of Profit and Loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses 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 foreign operation is recognised in Statement of Profit and Loss.

c) Fair Value Measurement

The group measures financial instruments, such as derivatives 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.



U.K. PAINTS (INDIA) PVT LTD

Notes to Consolidated Financial Statements for the year ended March 31, 2022

(All amounts in ₹ crores, unless otherwise stated)

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 considers 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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the 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:

- a) Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- b) Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- c) 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 Ind AS financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (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.

d) Use of Estimates

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities during and at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.



e) Cash and Cash Equivalents

U.K. PAINTS (INDIA) PVT LTD

Notes to Consolidated Financial Statements for the year ended March 31, 2022

(All amounts in ₹ crores, unless otherwise stated)

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

f) Property, Plant and Equipment

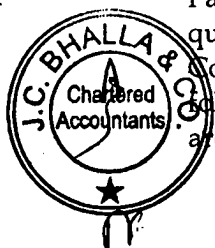
Property, plant and equipment and capital work in progress are carried at cost of acquisition, on current cost basis less accumulated depreciation and accumulated impairment, if any. Cost comprises purchase price and directly attributable cost of bringing the asset to its working condition for the intended 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 fixed asset 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 profit or loss as incurred. Refer to note 28 regarding significant accounting judgements, estimates and assumptions and provisions for further information about the recorded decommissioning provision.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

Depreciation is provided on Written down value method over the useful lives of property, plant and equipment as estimated by management in case of the Parent Company. Pursuant to Notification of Schedule II of the Companies Act, 2013 depreciation is provided pro rata basis on written down value 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.

However, two of the subsidiary companies i.e., Berger Paints India Limited, and Berger Paints Bangladesh Limited provides depreciation on Straight Line Method (SLM) (for quantum involved refer note 39) based on useful life of assets given in Schedule II of the Companies Act, 2013 and BAS -16 (for Berger Paints Bangladesh Ltd.) except in case of following fixed assets where technical evaluation has been carried out, details of which are as follows:

- Plant and Machinery - 3 years to 21.05 years.
- Motor Vehicles - 6.67 years



U.K. PAINTS (INDIA) PVT LTD

Notes to Consolidated Financial Statements for the year ended March 31, 2022

(All amounts in ₹ crores, unless otherwise stated)

- Tinting Machines – based on estimated useful life of 60 months.
- No depreciation is provided on freehold land.

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.

g) 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 accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized, and are charged to Statement of Profit and Loss for the year during which such expenditure is incurred.

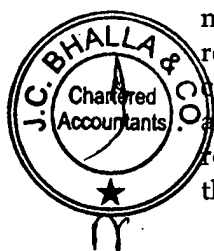
Gain and Losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

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 as incurred.

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.

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.



U.K. PAINTS (INDIA) PVT LTD

Notes to Consolidated Financial Statements for the year ended March 31, 2022

(All amounts in ₹ crores, unless otherwise stated)

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 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 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.

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.

h) Investment in joint ventures

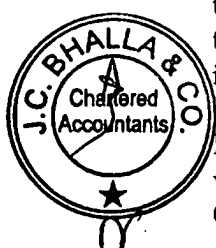
A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities 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 equal 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



U.K. PAINTS (INDIA) PVT LTD

Notes to Consolidated Financial Statements for the year ended March 31, 2022

(All amounts in ₹ crores, unless otherwise stated)

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.

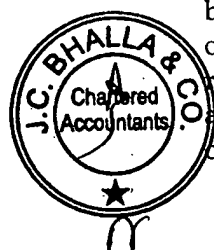
When necessary, adjustments are made to bring the accounting policies in line with those of the Group. After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint venture. At each reporting date, the Group determines 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.

i) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset 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 units (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 considered, 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. 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.



U.K. PAINTS (INDIA) PVT LTD

Notes to Consolidated Financial Statements for the year ended March 31, 2022

(All amounts in ₹ crores, unless otherwise stated)

j) Inventories

Finished goods and Work-in-process are stated at the lower of cost and estimated net realizable value. Cost of inventories constitutes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.

Raw materials, components, stores, and spares are valued at lower of cost and estimated net realizable value. Cost is determined on first-in-first out basis by the Parent Company and on weighted average method by its subsidiary company viz. Berger paints India limited, for quantum involved refer note 40. 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 at or above cost.

Provision is recognised for damaged, defective, or obsolete stocks where necessary.

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.

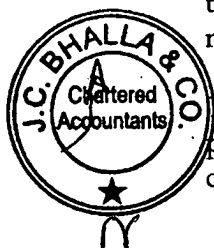
k) Revenue from contract with customer and Other Income

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.

Sale of Goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. 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



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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 to determine the amount of variable consideration that can be included in the transaction price.

Revenue from Combined Contracts

Revenue from contracts with customers for combined output comprising of goods and services for which consideration receivable by the Group is determined based on surface area painted is recognised at a point of time 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. Obligations under each milestone are performed over short durations of not more than a month.

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 section "Financial instruments – initial recognition and subsequent measurement".

Income from services

Revenue from job-work contracts are recognized as and when services are rendered.

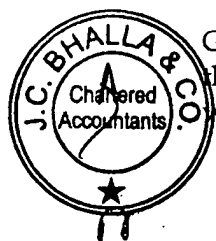
Interest income recognised under Amortized cost

Interest Income is recognised on a time proportion basis considering the amount outstanding and the applicable interest rate. Interest income is included under the head 'Other Income' in the Statement of Profit and Loss.

Dividend Income

Dividend is recognized in profit or loss only when right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the group and the amount of dividend can be measured reliably.

1) Government Grants



Government grants and subsidies are recognised when there is reasonable assurance that the Group will comply with the conditions attached to them and the grants/subsidy will be received.

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When the grant or subsidy from the Government relates to revenue, it is deducted from the related expense on a systematic basis in the Statement of Profit and Loss over the period necessary to match them with the related costs, which they are intended to compensate. When the grants relate to an asset, it is either recognised as income in equal amounts over the expected useful life of the related asset or deducted from the carrying amount of the asset.

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 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. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

m) Employee Benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve 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 undiscounted amounts expected to be paid when the liabilities are settled. The liabilities are presented as current benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

Other long-term employee benefits include earned leaves.

Earned leaves

The liabilities for earned leaves are not expected to be settled wholly within twelve months after the end of the period in which the employees render the related service. This is therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements because of experience adjustments and changes in actuarial assumptions are recognised in profit & loss. The obligations are presented as provisions in the balance sheet.

(iii) Defined contribution plans

Defined contribution plans are retirement benefit plans under which the Group pays fixed contributions to separate entities (funds) or financial institutions or state managed benefit schemes. The Group has no further payment obligations once the contributions have been paid. The defined contributions plans are recognised as employee benefit expense when they are due. Prepaid contributions are recognised



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as an asset to the extent that a cash refund or a reduction in the future payments is available.

- **Provident Fund Plan & Employee Pension Scheme:**

Contributions in respect of Employees of subsidiary company (Berger Paints India limited) who are not covered by subsidiary Company's Employees Provident Fund Trust and in respect of other employees, 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 respective companies has no obligation other than the contribution payable to the Regional Provident Fund. The respective companies make monthly contributions at prescribed rates towards Employees' Provident Fund/ Employees' Pension Scheme to a Fund administered and managed by the Government of India.

- **Employee State Insurance**

The respective companies make prescribed monthly contributions towards Employees' State Insurance Scheme.

- **Superannuation**

Contribution made to Superannuation Fund for certain of employees of the group are recognised in the Statement of Profit and Loss as and when services are rendered by employees. The Group has no liability for future Superannuation Fund benefits other than its contribution.

(iv) Defined Benefit Plan

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. The costs of providing benefits under this plan are determined based on actuarial valuation using the projected unit credit method at each year-end. Actuarial gains/losses are immediately recognized in retained earnings through Other Comprehensive Income in the period in which they occur. Re-measurements are not re-classified to profit or loss in subsequent periods. Retirement Gratuity for employees of the subsidiary company viz. Berger paints India Ltd is funded through a scheme of Life Insurance Corporation of India.

Provident Fund

In respect of the Employees of Berger paints India ltd, who are covered by Company's Employee Provident Fund Trust, contributions to the Employees Provident Fund Trust (administered by the 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 Company has an obligation to make good the shortfall, if any, between the return from the



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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.

n) Leases

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation, and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees. The Group has adopted Ind AS 116 "Leases" with effect from April 1, 2019, applied to all lease contracts existing on April 1, 2019, using the modified retrospective method, using the cumulative effect method except in case of Berger paints which has applied Ind AS 116 retrospectively. Impact of the same has been taken in opening equity as on 1st April 2019 and hence the comparative information is not restated.

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to group operations considering the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the group has concluded that no changes are required to lease period relating to the existing lease contracts.

Where the Group is the lessee

The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.



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Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e., the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability has been presented under Other Financial Liabilities and ROU asset have been presented under Property, Plant and Equipment in the Balance Sheet and lease payments have been classified as financing cash flows.

Where the Group is the 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.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.



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o) Forward Currency Contracts

The Subsidiary Company (Berger Paints India Ltd) 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.

p) 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 to produce 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.

q) Taxes on Income

Tax expense comprises current and deferred tax.

Current Income Tax



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Current income-tax is measured at the amount expected to be paid to the tax 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.

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.

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 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 income tax is determined using tax rates and laws that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

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 utilize 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. Unrecognized 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.

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.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing



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differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

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 timing 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 timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the Group restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. In the year, in which the Minimum Alternative Tax (MAT) Credit becomes eligible to be recognized as an asset in accordance with the recommendations contained the guidance note issued by the Institute of Chartered Accountants of India, the said asset is credited by way of credit to the profit & loss account and shown as MAT Credit Entitlement. The Group revises the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Group will pay normal tax during the specified period.

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:

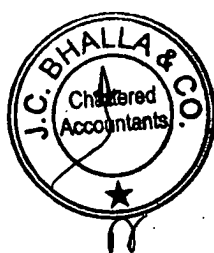
- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount 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.

r) Provisions and Contingencies

A provision is recognized when an enterprise has a present obligation (legal or constructive) because 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.



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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.

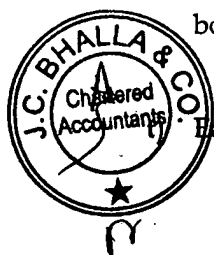
If the Group has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Group recognises any impairment loss that has occurred on assets dedicated to that contract.

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.

s) Borrowing Costs

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 up to the date the asset is ready for its intended use is added to the cost of the assets. Capitalization 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.



Earnings Per Share

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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 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.

u) 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

ii) 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.

iii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in two categories:

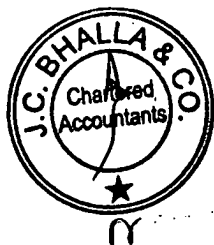
- a. Debt instruments at amortised cost
- b. Equity instruments measured at fair value through other comprehensive income FVTOCI

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.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in



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finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Equity investment

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 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.

iv) De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised 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

v) 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



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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 analyzed.

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 based on 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

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

ii). Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss



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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 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 profit or 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 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 or loss.

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 profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

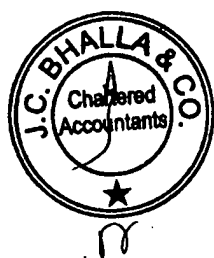
Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

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 derecognised 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



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recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

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.

v) 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 subsidiary 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 subsidiary 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 subsidiary 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.

w) Operating Segments

The Parent Company has identified two operating segments viz manufacturing of paints containers and job work on paints. AS per Ind AS -108, due to similar nature of products, production process, customer types etc. the two operating segments have been aggregated as single operating segment of 'Paint containers and allied Products & services' during the year. The Company operates within India and does not have operations in economic environment with different risk and returns. As the business activity falls within a single operating segment of manufacturing of "Paint containers and allied products & services" and the sales are within India only, the financial statement of the Parent Company are reflective of the information required by Ind AS 108 "Operating Segments".



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The Business process and Risk Management Committee, approved by the Board of Directors and Audit Committee of the subsidiary company (Berger Paints India Ltd) performs the function of allotment of resources and assessment of performance. Considering the level of activities performed, frequency of their meetings and level of finality of their decisions, it 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 (Berger paints India Ltd & its subsidiaries). As the Group's business activity falls within a single business segment viz. 'Paints' and the sales substantially being in the domestic market, the financial statements are reflective of the information required by Ind AS 108 "Operating Segments".

x) Changes in accounting policies and disclosures

(1) New and amended standards

Covid -19-Related Rent Concessions

MCA issued an amendment to Ind AS 116 Covid-19-Related Rent Concessions beyond 30 June 2021 to update the condition for lessees to apply the relief to a reduction in lease payments originally due on or before 30 June 2022 from 30 June 2021. The amendment applies to annual reporting periods beginning on or after 1 April 2021. In case a lessee has not yet approved the financial statements for issue before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after 1 April 2020. These amendments had no material impact on the standalone Ind AS financial statements of the Company.

Amendment to Ind AS 105, Ind AS 16 and Ind AS 28

The definition of "Recoverable amount" is amended such that the words "the higher of an asset's fair value less costs to sell and its value in use" are replaced with "higher of an asset's fair value less costs of disposal and its value in use". The consequential amendments are made in Ind AS 105, Ind AS 16 and Ind AS 28. These amendments had no material impact on the standalone financial statements of the Company.

Conceptual framework for financial reporting under Ind AS issued by ICAI

The Framework is not a Standard and it does not override any specific standard. Therefore, this does not form part of a set of standards pronounced by the standard-setters. While the Framework is primarily meant for the standard-setter for formulating the standards, it has relevance to the preparers in certain situations such as to develop consistent accounting policies for areas that are not covered by a standard or where there is choice of accounting policy, and to assist all parties to understand and interpret the Standards.



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The amendments made in following standards due to Conceptual Framework for Financial Reporting under Ind AS includes amendment of the footnote to the definition of an equity instrument in Ind AS 102- Share Based Payments, footnote to be added for definition of liability i.e., definition of liability is not revised on account of revision of definition in conceptual framework in case of Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets etc. The MCA has notified the Amendments to Ind AS consequential to Conceptual Framework under Ind AS vide notification dated June 18, 2021, applicable for annual periods beginning on or after April 1, 2021. Accordingly, the Conceptual Framework is applicable for preparers for accounting periods beginning on or after 1 April 2021.

These amendments had no impact on the standalone financial statements of the Company.

Standards notified but not yet effective

There are no new standards that are notified, but not yet effective, up to the date of issuance of the Company's financial statements

