

BERGER PAINTS INDIA LIMITED

(CIN : L51434WB1923PLC004793)

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TO THE MEMBERS OF THE COMPANY

NOTICE OF POSTAL BALLOT

[Pursuant to Section 110 of The Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014]

NOTICE is hereby given pursuant to Section 110 of The Companies Act, 2013, (the "Act") read with Rule 22 of the Companies (Management & Administration) Rules, 2014, ("the Rules") and relevant provisions of the Listing Agreement with Stock Exchanges, the resolutions appended below are proposed to be passed by way of postal ballot :

1. Sub-division of Shares of the Company

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 61(d) and other provisions, if any, of the Act, or any statutory modification(s), amendment or re-enactment thereof and Article 64 of the Articles of Association of the Company and subject to such approvals, permissions, and sanctions, if any, as may be necessary from concerned authorities, each Equity Share of the Company having a nominal face value of Rs.2/- (Rupees two only) fully paid-up, be sub-divided into Equity Shares of nominal face value of Re.1/- (Rupee one only) each fully paid-up.

RESOLVED FURTHER THAT upon sub-division of the Equity Shares of the Company as aforesaid, the existing share certificate(s) in relation to the existing Equity Shares of a nominal face value of Rs. 2/- (Rupees two only) each held in physical form shall be deemed to have been automatically cancelled and be of no effect on and from the record date ("Record Date") fixed for the purpose and the Company may, without requiring the surrender of the existing share certificate(s), directly issue and despatch the new share certificate(s) of the Company, in lieu of such existing share certificate(s) subject to the provisions laid down in the Companies (Share Capital and Debentures) Rules, 2014 and the Articles of Association of the Company and in the case of shares held in dematerialized form, appropriate number of sub-divided Equity Shares be credited to the respective beneficiary accounts of the shareholders with the Depository Participants, by debiting the Equity Shares of the Company held on the Record Date.

RESOLVED FURTHER THAT the Board of Directors of the Company ("the Board", which expression shall also include a Committee thereof) or any Key Managerial Personnel be and are hereby authorised to fix a Record Date and to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters and difficulties arising out of and incidental thereto, and to execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things and to give, from time to time, such directions as may be necessary, proper, expedient or incidental for the purpose of giving effect to this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to make such fair and reasonable adjustments to the number of stock options, entitling the employees of the Company to the Company's Equity Shares, granted to the employees and the exercise price thereof such that the total value of such stock options remains the same after the aforesaid sub-division of the Equity Shares keeping the vesting period and the life of the stock options unaltered.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of its powers to Share Transfer Committee or any other Committee of Directors of the Company as it may deem appropriate in this regard."

2. Alteration of the Memorandum of Association of the Company

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution :

"RESOLVED THAT the existing Clause V of the Memorandum of Association of the Company be and is hereby altered by substituting in place thereof the following new Clause V as mentioned hereunder :

'V. The Authorised Share Capital of the Company is Rs.75,00,00,000/- (Rupees Seventy Five Crores) divided into 75,00,00,000/- ordinary shares of Re. 1/- (Rupee one) each.'

RESOLVED FURTHER THAT the Board of Directors of the Company ("the Board", which expression shall include any Committee thereof) or any Key Managerial Personnel be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient for giving effect to this resolution and/or otherwise considered by them in the best interest of the Company and to resolve any question or difficulty that may arise in this respect."

3. Alteration of the Articles of Association of the Company

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution :

"RESOLVED THAT the existing Article 3 of the Articles of Association of the Company be and is hereby altered by substituting in place thereof the following new Article 3 :

'3. The Authorised Share Capital of the Company is Rs. 75,00,00,000/- (Rupees Seventy Five Crores) divided into 75,00,00,000/- ordinary shares of Re. 1/- (Rupee one) each.'

RESOLVED FURTHER THAT the Board of Directors of the Company ("the Board", which expression shall include any Committee thereof) or any Key Managerial Personnel be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient for giving effect to this resolution and/or otherwise considered by them in the best interest of the Company and to resolve any question or difficulty that may arise in this respect."

4. Ratification of Remuneration payable to the Cost Auditors for the year 2014-15

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :

"RESOLVED THAT pursuant to Section 148(3) of The Companies Act, 2013 and Rule 14 of Companies (Audit and Auditors) Rules, 2014, M/s. N. Radhakrishnan & Co., Cost Auditors, be paid a remuneration of Rs. 35,000/- (Rupees thirty-five thousand) plus service tax and reimbursement of travel and other out of pocket expenses for each Cost Audit / certification engagements for the year 2014-15 for the Company's two factories at Howrah and Rishra in West Bengal, factories at Goa and Puducherry and Rs. 25,000/- (Rupees twenty five thousand) for filing a single report in accordance with relevant guidelines and M/s. Shome and Banerjee, Cost Auditors, be paid Rs. 40,000/- (Rupees forty thousand) plus service tax and reimbursement of travel and other out of pocket expenses for each Cost Audit / certification engagements for the year 2014-15 for the Company's factory at Sikandrabad in Uttar Pradesh and two factories at Jammu and Rs. 25,000/- (Rupees twenty-five thousand) for the Company's factory at Surajpur in Uttar Pradesh.

RESOLVED FURTHER THAT any Key Managerial Personnel be and is hereby authorised to settle any question, difficulty, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

5. Consent of Members to dispose of undertakings under Section 180(1)(a) of The Companies Act, 2013

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 180(1)(a) of The Companies Act, 2013 and subject to such other approvals, consents, permissions and sanctions as may be necessary under law from the Central Government, Reserve Bank of India and other concerned authorities, consent be and is hereby accorded in terms of Section 180(1)(a) and other applicable provisions, if any, of The Companies Act, 2013 ("the Act") to the Company for mortgaging in such form and manner and on such terms and at such time(s) as the Board of Directors may deem fit, such of the undertaking(s) of the Company including all the moveable and immoveable assets and properties of the Company, present and future, wheresoever situate, as the Board may decide, in favour of Financial/ Investment Institution(s) / bank(s) / other lenders, creditors, trustees of lenders, to secure loans and / or other credit facilities availed or proposed to be availed by the Company and/or subsidiaries and joint ventures of the Company together with interest thereon and such other costs, charges, expenses and other moneys payable by the Company / subsidiaries / joint ventures as per the terms and conditions of the loan agreement(s) and other documents entered into or proposed to be entered into by the Company / subsidiaries / joint ventures up to the maximum ceiling approved for borrowing / providing securities by the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company ("the Board", which expression shall include any Committee thereof) or any Key Managerial Personnel be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient for giving effect to this resolution and/or otherwise considered by them in the best interest of the Company and to resolve any question or difficulty that may arise in this respect."

NOTES:-

1. The Explanatory Statement pursuant to the provisions of Section 102 read with Section 110 of The Companies Act, 2013 is appended herein below.
2. The Notice is being sent to all the Members whose names appear in the Register of Members / List of Beneficial Owners/ Records of Depositories as on 14th November, 2014. The Notice is being sent to Members in electronic form to the e-mail addresses registered with their Depository Participant (in case of electronic shareholding)/ the Company's Registrar and Share Transfer Agents (in case of physical shareholding). In case of Members whose e-mail addresses are not registered, physical copies of the Notice are being sent in the manner prescribed.
3. The despatch of the Postal Ballot Notices will be completed by 21st November, 2014. The voting through Postal Ballot/ e-voting will end on 23rd December, 2014. Postal Ballots received after the said date will be treated as not having been received.
4. The Members can opt for only one mode of voting, i.e either by physical ballot or by e-voting. In case any Member casts votes through both the modes, voting done by e-voting shall prevail and votes cast through physical postal ballot form will be treated as invalid.
5. Members desiring to exercise vote either by Postal Ballot Form or by e-voting are requested to carefully read the instructions printed on the reverse of the enclosed Postal Ballot Form.
6. The Board of Directors of the Company has appointed Mr. Anjan Kumar Roy (FCS 5684 and CP 4557), Practising Company Secretary of M/s. Anjan Kumar Roy & Co., as Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner and to receive and scrutinize the completed ballot papers and the votes received electronically from the Members. After completion of his scrutiny, Scrutinizer will submit his report to the Chairman and, in his absence, to the Company Secretary of the Company. The Scrutinizer's decision on the validity of a Postal Ballot / e-voting shall be final and binding.
7. A copy of each of the document referred to in the accompanying Explanatory Statement is open for inspection to the Members at the Registered Office of the Company between 10 A.M. to 12.00 Noon on any working day excluding Saturdays, Sundays and national holidays till the last date of receiving Postal Ballots by Scrutinizer i.e. 23rd December, 2014.
8. The e-voting period commences on Monday, 24th November, 2014 (9 a.m. IST) and ends on Tuesday, 23rd December, 2014 (9 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on 14th November, 2014, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.
9. Members who are holding shares in electronic form are requested to notify any correction / change in their name / address immediately to the Depository Participant. Members who hold shares in physical form are requested to notify any change in their particulars like change in address, bank particulars, etc., to the Company's Registrars and Transfer Agents viz., M/s C B Management Services (P) Ltd., P-22, Bondel Road, Kolkata -700019, Telephone - 033-40116700 / 6725, Fax - 033-40116739, e-mail - rta@cbmsl.com.
10. The voting rights of Members shall be in proportion to the number of shares held by them each fully paid-up in the paid-up Equity Share Capital of the Company as on 14th November, 2014.
11. The result of the Postal Ballot will be declared on Tuesday, 30th December, 2014 and communicated to the Stock Exchanges and will also be displayed on the Company's website www.bergerpaints.com.
12. The Resolutions will be taken as passed effectively on the date of announcement of the result by the Chairman and in his absence, by the Company Secretary of the Company, if the result of the Postal Ballots indicates that the requisite majority of the Shareholders has assented to the Resolution. The result of the Postal Ballot will be declared on Tuesday, 30th December, 2014 at the Registered Office of the Company. After declaration, the result of the Postal Ballot shall also be posted on the Company's website www.bergerpaints.com besides communicating the same to the BSE Limited, National Stock Exchange of India Limited and The Calcutta Stock Exchange Limited where the shares of the Company are listed.

ANNEXURE TO THE NOTICE**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013****ITEM NOS. 1, 2 and 3 :**

The Equity Shares of the Company are listed on BSE Limited (BSE), The National Stock Exchange of India Limited (NSE) and The Calcutta Stock Exchange Limited (CSE) and are actively traded on the BSE and NSE. The market price

of the Equity Shares of the Company has witnessed significant increase over the last few years. In order to facilitate affordability of the Company's Equity Shares for investors at large and to enhance the liquidity of the Company's Equity Shares in the Stock Market, it is proposed that each Equity Share of the Company having a nominal face value of Rs.2/- (Rupees two only) each fully paid-up, be sub-divided into Equity Shares of nominal face value of Re.1/- (Rupee one only) each fully paid-up, subject to such approvals, as may be required.

After the approval by the Members, the Board of Directors (or a Committee thereof) of the Company will fix a Record Date for the aforesaid sub-division.

At present, the Authorized Share Capital of the Company is Rs. 75,00,00,000/- divided into 37,50,00,000/- Equity Shares of Rs. 2/- (Rupees two only) each. The Subscribed and Paid-up Share Capital of the Company is divided into 34,66,42,060 (Thirty Four Crores Sixty Six Lakhs Forty Two Thousand and Sixty only) Equity Shares of Rs.2/- (Rupees two only) each, amounting to Rs. 69,32,84,120/- (Rupees Sixty Nine Crores Thirty Two Lakhs Eighty Four Thousand One Hundred and Twenty only). The resolutions as set out in Item Nos. 2 and 3 of the Notice for altering Clause V of the Memorandum of Association (MOA) and Article 3 of the Articles of Association (AOA) of the Company respectively are necessary to reflect the changes in the Capital Clause of the Memorandum of Association and Article 3 of the Articles of Association of the Company, consequent upon sub-division of Equity Shares of the Company.

Accordingly, your Directors recommend the Resolutions as set out in Item Nos. 1, 2 and 3 of the Notice for approval of the shareholders. The number of stock options, entitling the employees of the Company to the Company's Equity Shares, granted to the employees and the exercise price thereof will be suitably adjusted such that the total value of such stock options remains the same after the proposed sub-division of the Equity Shares keeping the vesting period and the life of the stock options unaltered.

None of the Directors, the Key Managerial Personnel of the Company and their relatives, except to the extent of their respective shareholding or entitlement to stock options in the Company, is in any way, deemed to be concerned or interested in the resolutions as set out in the Notice.

ITEM 4:

M/s. N. Radhakrishnan & Co., Cost Auditors have been re-appointed as Cost Auditors of the Company at a remuneration of Rs. 35,000/- (Rupees thirty-five thousand) plus service tax and reimbursement of travel and other out of pocket expenses for each Cost Audit / certification engagements for the year 2014-15 for the Company's two factories at Howrah and Rishra in West Bengal, factories at Goa and Puducherry and Rs. 25,000/- (Rupees twenty five thousand) for filing a single report in accordance with relevant guidelines. Similarly, M/s. Shome and Banerjee, Cost Auditors, have been re-appointed as Cost Auditors of the Company at a remuneration of Rs 40,000/- (Rupees forty thousand) plus service tax and reimbursement of travel and other out of pocket expenses for each cost audit / certification engagements for the year 2014-15 for the Company's factory at Sikandrabad in Uttar Pradesh and two factories at Jammu and Rs. 25,000/- (Rupees twenty-five thousand) for the Company's factory at Surajpur. Pursuant to Rule 14 of the Companies (Audit and Auditors) Rules, 2014 the said remuneration payable to the Cost Auditors requires ratification by the shareholders.

This item is therefore placed before the Members for ratification. The Board recommends the Resolution set out under Item no.4 for ratification by Members.

No Director, Key Managerial Personnel or their relatives are concerned or interested in this resolution.

ITEM 5:

The Company is at times required to mortgage its factory units, office buildings, plants and machinery from time to time in order to secure loans taken by the Company as well as the Company's subsidiaries/joint ventures. Such mortgages may be construed as disposing of the whole or substantially the whole of the Company's undertakings. In terms of the resolution adopted by the shareholders on 4th August, 2009, the Company had been authorised to mortgage its undertakings pursuant to the provisions of Section 293(1)(a) of the Companies Act, 1956. Section 293(1)(a) of the Companies Act, 1956 is now replaced by Section 180(1)(a) of The Companies Act, 2013. The Ministry of Corporate Affairs - in terms of Circular No. 04/2014 dated 25th March, 2014 - has clarified that the consent availed by the Company pursuant to the provisions of the Companies Act, 1956 in this regard would be valid for a period of one year from the date of notification of Section 180 of The Companies Act, 2013 i.e., up to 11th September, 2014. Moreover, in terms of the provisions of Section 180 (1)(a) of The Companies Act, 2013, the Board of Directors cannot, except with the consent of the Members by way of a Special Resolution, sell, lease or dispose of the whole or substantially the whole of any of the Company's undertakings.

Accordingly, your Directors recommend the Resolution as set out in Item No. 5 of the Notice for approval of the Shareholders, as a Special Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives is deemed to be concerned or interested in the aforesaid Resolution.

Kolkata
Dated: 4th November, 2014

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