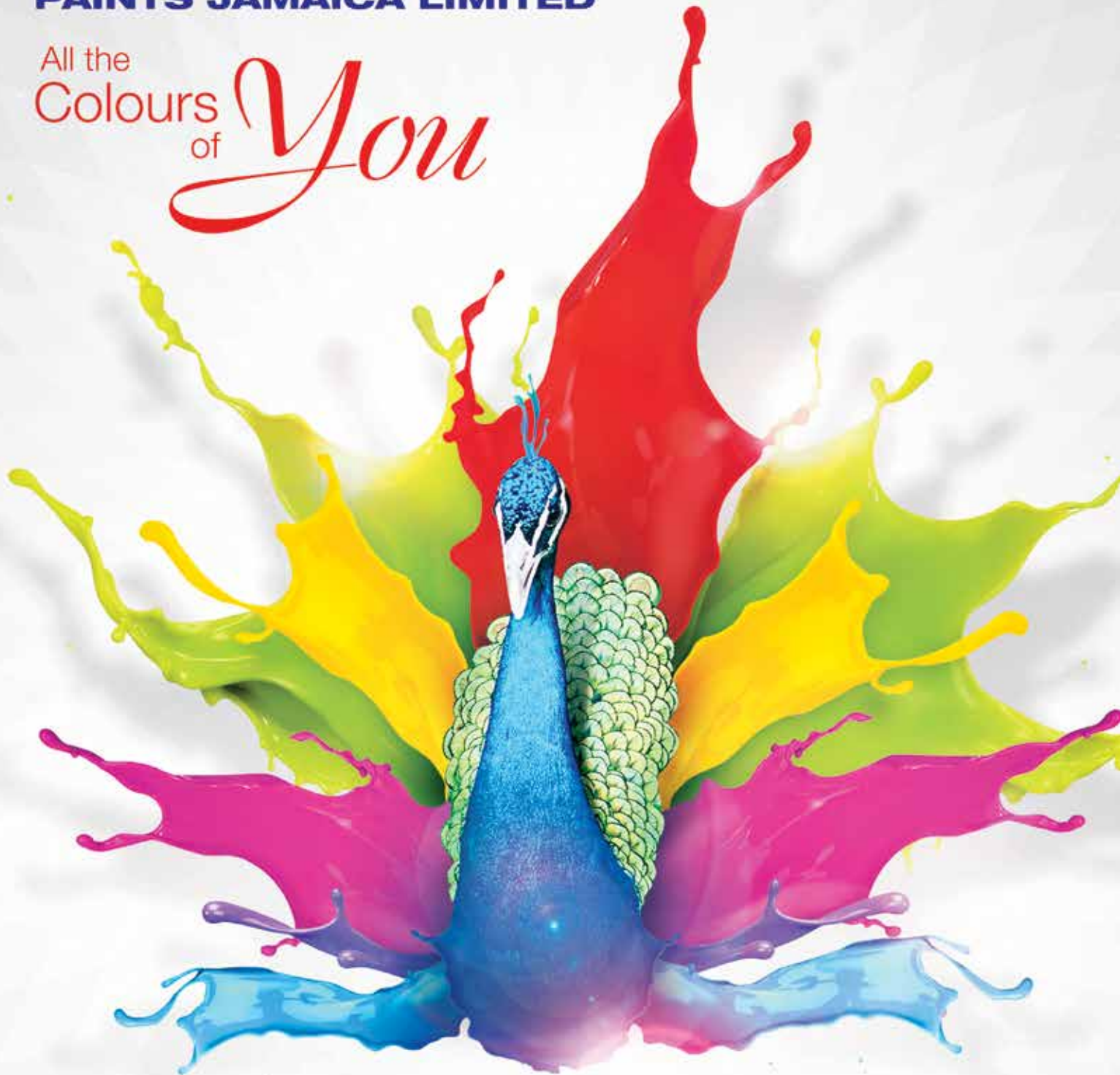


# BERGER

PAINTS JAMAICA LIMITED

All the  
Colours  
of *You*



ANNUAL  
REPORT  
2014 - 2015







# Contents

---

Our Mission Statement	2
Company Profile	3
Company Data	3
Chairman's Statement	4-5
General Manager's Statement	6-8
Management Discussion & Analysis	9-11
Corporate Governance	12
Directors' Report	13
Notice of Annual General Meeting	14
Seven-Year Financial Statistical Review	15
Board of Directors	16
Management Team	17
Corporate Highlights	18-19
Disclosure of Shareholdings	20
Independent Auditors' Report and Financial Statements	
Independent Auditors' Report	21-22
Statement of Financial Position	23
Income Statement	24
Statement of Comprehensive Income	25
Statement of Changes in Equity	26
Statement of Cash Flows	27
Notes to the Financial Statements	28-73
Form of Proxy	75
Notes	77
Quality Policy Statement	78
Environment, Health & Safety Policy Statement	Inside Back



## **MISSION STATEMENT**

### **BERGER PAINTS JAMAICA LIMITED**

*is committed to provide the best quality coatings  
and excellent customer service via superior technology and  
well-trained, highly motivated human resource - thereby creating  
an environment where we continue to be the preferred  
business partner, leader in the market-place, preferred employer,  
and outstanding corporate citizen, thus constantly  
satisfying the needs of all our stakeholders.*





## Company Profile

---

Berger Paints Jamaica Limited manufactures and distributes decorative, industrial and wood coatings and paint related material. It is a subsidiary of Berger International Limited (BIL), itself a subsidiary of the Asian Paints Group, a conglomerate which ranks among the top four decorative coating companies in the world.

In November 2002 Asian Paints Limited, the largest paint manufacturer in India, acquired a controlling 51% stake in BIL, the parent company of Berger Jamaica. During the year ended March 31, 2014 Asian Paints acquired the remaining stake in BIL. The US\$ 2 billion Asian Paints Group, with a presence in 17 countries, is spread across the Caribbean, the Middle East, Africa, South Asia, South East Asia and the South Pacific region. It has 23 paint manufacturing facilities worldwide which service customers in over 65 countries.

Asian Paints is the only paint company in the world to be ranked amongst the '200 Best Under a Billion Dollar Companies' for 2005 by The Forbes Global Magazine.

Berger's unwavering pursuit of excellence in the manufacturing of high quality paint products, utilizing international best practices and standards, has sustained the Company's leadership in the industry over the years. Berger Paints has remained true to its ethos of putting the consumer at the heart of what it does, primarily by formulating products that are environmentally friendly and are suited specifically to the harsh tropical conditions of the Caribbean.

The name Berger has become synonymous with quality and excellence, the foundation of which have been built on innovative product research and development programmes and the professional delivery of value added service to the market on a consistent basis. Berger is an organisation with a social conscience that is demonstrated in its support for a myriad of programmes and initiatives benefiting the society at large, particularly, the most vulnerable.

## Company Data

---

**Company Secretary**

Huron Gordon

**Auditors**

Ernst & Young  
8 Olivier Road  
Kingston 8

**Bankers**

Bank of Nova Scotia Jamaica Limited  
National Commercial Bank Ltd.

**Attorneys-at-law**

Myers, Fletcher & Gordon  
21 East Street, Kingston

**Registered Office**

256 Spanish Town Road, Kingston 11

**Registrar and Transfer Agent**

PwC Corporate Services (Jamaica) Limited  
Scotiabank Centre  
Cnr. Duke and Port Royal Streets  
Kingston

## Chairman's Statement

### Economic Overview

The world economy continued to struggle in 2014, in the aftermath of the global financial crisis, and recorded lower than anticipated growth of 3.4%.

The dramatic plunge in oil prices, falling commodity prices, volatility in the currency and capital markets, in addition to the geopolitical crises in Russia-Ukraine and the Middle East had adverse impact on growth across high income and developing economies. Lacklustre results in the Euro area and Japan, as well as, the managed deceleration in China, also accounted for the downward growth trend which, in turn, impacted economies in the Caribbean and Latin America.

Although Jamaica continues to grapple with a high debt to GDP ratio and the medium-term effects of the global economic crisis, there has been continued improvement in the macro-economic environment in the 2014-15 fiscal year, though growth was marginal. Economic performance highlights included the successful completion of 7 of the 15 reviews under the Government's Extended Fund Facility Agreement with the International Monetary Fund, as well as an improvement in the Net International Reserves and the Current Account Deficit.

Reduction in the inflation rate to approximately 5%, ongoing structural economic reforms, the overhaul of the tax system and passage of the Fiscal Incentives Act provided a platform for growth in business and investment in Jamaica. These developments have begun to restore confidence in the economy which moved 27 places to 58 among 189 countries in the World Bank's 2015 Doing Business ranking.

### Commendable Results

Against the background of these positive indicators, Berger Paints Jamaica Limited recorded turnover of J\$ 1,854 million, an increase of 7% over the previous year to reinforce its dominance as the preferred brand. We also made strong gains in our primary export market. These achievements in a competitive industry, and a challenging environment in which wage constraints and the devaluation of the local currency reduced purchasing power by consumers may be attributed to Berger's unwavering commitment to product excellence; value-added service and novel marketing strategies.



Jalaj Dani - Chairman

Despite the odds in the still fragile national economy, our Company remains viable and we continue to attract investor confidence. As we build on our foundation for sustained growth, our shareholders can be assured of continued prudence in the management of available resources and strong returns on their investment.

### Customer-focused Initiatives

Innovation is a hallmark of Berger Jamaica, and like the parent company, Asian Paints, we continue to invest heavily in research and development to benchmark our products to the highest international standards and to meet the special needs of our discerning customers whose choices are increasingly influenced by global trends. To this end, a luxury interior emulsion paint – Berger Royale Satin – was added to our product offering during the year; and the spectrum of the Berger ColourWorld tinting system was further expanded to provide new solutions to the market.

The product upgrades were supported by investments in production equipment, the installation of a new Information Technology platform, and the introduction of energy saving devices which have helped to improve operational efficiency.

Highly-professional, dedicated and productive employees are integral to the company's customer-centric focus and its sustained growth in the local and international market-place. Over the past year, several strategies were adopted to strengthen engagement of the workforce in the wake of a 2013-2014 employee survey which identified broad areas for improvement in the management of the company's human resources.

#### **Commitment to National Development**

Berger Jamaica has consistently contributed to nation-building through capacity development programmes for youth. We continued to pursue this path in 2014-15 as the title sponsor of the Netball Jamaica/ Berger Elite League and once again, students at the Riverton Meadows Early Childhood Development Centre benefitted from the Company's assistance programmes at that institution.

#### **Path to Sustained Growth**

Both the International Monetary Fund and the World Bank have projected moderate growth in the global economy in 2015-16. While projections for Latin America and the Caribbean are mixed, there is optimism that the Jamaican economy will continue to grow.

The year ahead will, undoubtedly, bring new challenges; however, Berger Jamaica is committed to growing our business despite the odds. We will continue to leverage the technical expertise and market strength of our parent company; while focusing on serving the needs of the consumers through innovation. We are confident that the strategies we have adopted will help us to build on our gains.

I thank my fellow Directors, our loyal employees, shareholders, customers and members of the trade who have helped to position our Company in the forefront of the local paint industry, and I look forward to your continued partnership as we seek to conquer new horizons.



Jalaj Dani  
Chairman



## General Manager's Statement

### Jamaica's Economic Situation

Against the background of stringent reform measures implemented under the Extended Fund Facility (EFF) Agreement with the International Monetary Fund (IMF), the macro-economic environment in Jamaica showed signs of improvement at the end of fiscal year 2014-15, after consecutive years of negative growth.

Performance highlights included an increase in the Net International Reserves which, at the end of March 2015, stood at US\$ 2.29 billion, with gross reserves exceeding the international benchmark of 12 weeks of imports. The Current Account Deficit was 5.3% of Gross Domestic Product (GDP); inflation was recorded at 5% - its lowest level in more than 40 years; and the average unemployment rate at 13.7% was also trending down. In addition, prospects for securing development financing from multi-lateral funding agencies have improved with the Government passing all seven of the IMF's quarterly reviews, to date.

Aggressive legislative reform was also undertaken during the past year, including amendment of the Customs Act which eliminates duties on all productive input and a new Fiscal Incentives Act which relieves investors of the potential cost of statutory deductions and provides for more generous capital depreciation allowances.

The progress of the economic reform and recovery programme has attracted positive response from both the local and international business communities. This reflected in improved country ratings from prestigious publications including the World Bank's Doing Business 2015 Report, the Global Competitiveness Index and the 2014 Forbes Best Countries for Business Report.

Berger Paints Jamaica Limited is poised to take advantage of the new opportunities for growth in the environment, however, we still have some concern regarding the high crime rate and social development agenda which is not in keeping with the other positive indicators.

### Strong Performance

In 2014-15, Berger Jamaica recorded a strong performance, despite rising operational costs and a decline in consumers' disposable income. The Company achieved a 22.1% increase in Profit after Tax which stood at J\$ 67.037 million,



Mustafa Turra - General Manager

compared to J\$54.906 million in 2013-14. Also, the net sales during the period increased to J\$1,854 million, an increase of 6.7% over last year.

The global bulk-purchasing strategy adopted by our parent company, Asian Paints, enabled us to benefit from economies of scale; and we continued to streamline our operations to maximize efficiencies during the year under review. Energy usage is a major component in our production mix, and the installation of LED lighting, as well as, translucent sheets to save power during the day reduced consumption by more than 10%. This is the most recent initiative in our Company's ongoing efforts to introduce environmentally friendly technologies in our operations; and we are currently exploring other renewable energy options.

Investments of J\$60 million during the year facilitated upgrading of our production capabilities. The expenditure covered the acquisition of a new filling line, tinting machines and a palette lifter. The palette lifter and the upgrading of the fire alarm system, which was replaced with advanced "smart" technology, have helped to improve employee safety in the plant and at our depot in Montego Bay. State-of-the-art Customer Relationship Management software, which establishes customer profiles and effectively expedites service delivery, was the other area of investment.





*Balvenie Hills Town Home complex, Balvenie Heights, Mandeville, Manchester*



*Marimar Condominium Complex, Montego Bay, St. James*

### **Winning Products and Services**

Ever on the cutting-edge of paint technology, we launched another innovative product – Berger Royale Satin – during the year. The ‘virtually odourless’ luxury interior emulsion paint has the best-in-class finish, superior stain-resistant properties and is environmentally friendly.

Formulations for the flagship Berger 303 Flat Emulsion and Berger 404 Gloss Oil Paint were further improved, as part of our ongoing research and development programme and, along with our Everglow Low Sheen Emulsion, they continue to lead demand in their individual market segments. We have also reduced volatile organic compounds (VOCs) in all our premium products, in keeping with international environmental standards for the paint industry.

During the year under review, the scope of the Berger ColourWorld Tinting System with its Berger Visualiser interactive software which allows customers to create their own distinctive decorative solutions was expanded. Berger ColourWorld now offers a choice of more than 1800 shades. We have also invested in the improvement of point-of-sale counters at dealer outlets to make them more customer-friendly and better-equipped to guide consumers in making informed product choices. A successful consumer promotion in the third quarter of the year was the other marketing intervention by Berger Jamaica in 2014-15.

## General Manager's Statement cont'd.

### Employee Engagement

We recognize that every employee at Berger has a major role to play in maintaining the Company's high standards of performance and in enhancing the customer experience. In an effort to strengthen employee commitment, we undertook an employee engagement survey, arising from which cross functional teams were engaged over the past year in the design and implementation of initiatives to promote employee development and career growth; celebrate work-related achievements; recognise successful teams and individuals; and address workplace health and safety issues.

Our Company continues to promote the development of our staff and in 2014-15, we awarded grants for higher education to some employees and also sponsored 18 scholarships to high school for employees' children.

### Serving Our Community

Berger Jamaica takes its responsibility as a corporate citizen seriously. Over the years, we have consistently contributed to programmes that create meaningful opportunities for citizens in the communities in which we do business, and encourage them to strive for excellence. Although we have focused mainly on the disciplines of education and sports, we have also supported numerous beautification projects undertaken by schools, churches and community organizations, especially for the National Labour Day projects.

In the area of education, our association with the Riverton Meadows Early Childhood Development Centre, goes back some 15 years, during which, we have collaborated with a private sector partner to provide students with a balanced meal daily. Members of the Berger family brought great joy to the more than 200 children at the school when they hosted the annual Christmas Treat in December 2014.

For more than 25 years, the Netball Jamaica/ Berger Elite League, formerly the Berger Super League Netball Competition, has provided a training ground for players, referees and administrators, many of whom have gone on to represent Jamaica at the international level. Our association with this world-class sport is a source of pride for Berger Jamaica. We strengthened our support for the Elite League in 2014-15, providing sponsorship in the amount of J\$6 million, and we look forward to our continued collaboration with Netball Jamaica.



*Cornwall College chapel, Montego Bay, St. James*

### Optimistic Outlook

In 2014-15, Berger Jamaica recorded significant gains in our primary export market, and this positively impacted our overall performance. We intend to increase our presence both in the local and overseas markets in the year ahead, as we pursue our path to sustained profitability.

Our Company's track record of excellence and innovation and our strict adherence to ethical standards of business have inspired the confidence of our investors and stakeholders for more than 60 years. Berger is a household name and we continue to build on that reputation.

We sincerely thank our shareholders, Board of Directors, dedicated managers and employees, dealers, customers and business associates for their loyal support. We assure them that they can count on us to deliver on our commitment.

Mustafa Turra  
General Manager



# Management Discussion & Analysis

The Management of Berger Paints Jamaica Limited (hereafter referred to as “Berger” or the “Company”) is responsible for the integrity and objectivity of the information contained in the Management Discussion and Analysis (MD & A). The financial information disclosed in the MD & A is consistent with the financial statements presented, which has been approved by both the Audit Committee and Board of Directors.

The MD & A is presented to enable readers to assess the operational results and financial condition of the Company for the year ended March 31, 2015 and to compare the current financial year to prior financial years.

## Corporate Overview

Berger Jamaica is the leading paint manufacturing company in Jamaica offering lasting beauty and protection for over 60 years and trades under the symbol “BRG” on the Jamaica Stock Exchange.

After several years of contraction, the Jamaican economy returned to growth in third quarter of 2013 which continued through to the second quarter of June 2014. There is an

expectation that growth will continue as confidence continued to be restored following Jamaica’s success in meeting its quantitative targets and passing its seventh test under the Extended Fund Facility with the IMF.

The Company responded successfully to the challenges dominating the local economy through its tradition of excellence and an uncompromising stance to providing products and services of the highest quality.

As at March 31, 2015, Berger had J\$1.058 billion in assets, and recorded net profits of J\$67.037 million for the year ended March 31, 2015.

## Financial Performance Overview

The Company reported a Net Profit of \$67.037 million for the financial year ended March 31, 2015. This was 22% above the net profit of \$54.906 million for the comparative period ended March 31, 2014. Net sales for the financial year ended March 31, 2015 stood at \$1,854 million compared to \$1,738 million, a 7% increase over the prior period.

**Net Profits and Profit Before Tax,  
(J\$ Millions)**



## Management Discussion & Analysis cont'd.

Total comprehensive income for the year, net of tax was \$160.91 million, compared to total comprehensive loss of \$30.403 million, net of tax for the comparative period ended March 31, 2014.

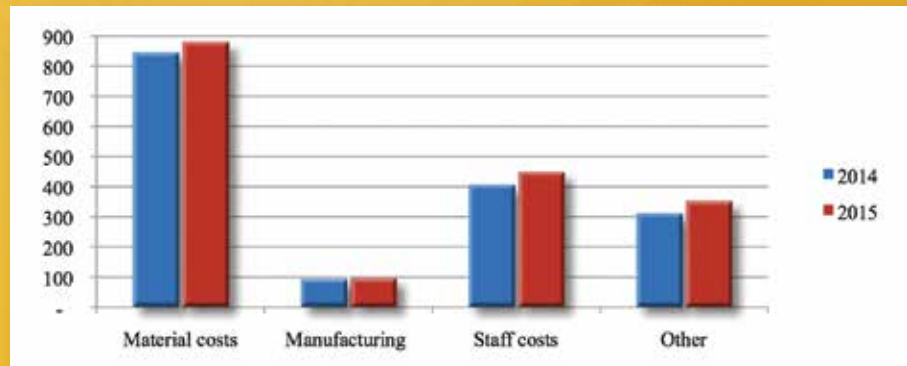
### Total Operating Expenses

Total operating expenses for the year totaled \$1,781 million, an increase of 7.2% when compared to \$1,662 million last year. Material costs increased over the prior year by 4%. This was impacted by devaluation in Jamaican dollar of 5% for the fiscal year ended March 2015 and increase in absolute sales volumes.

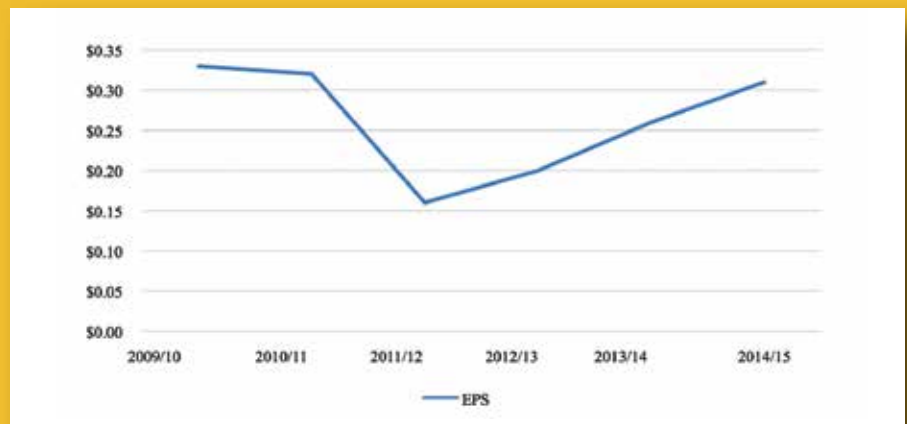
Continued cost containment measures, such as process improvements and plant and machinery upgrade, have been implemented by management to achieve systematic cost reduction, as such; management monitors expenses on a monthly basis to achieve this objective. The Company continues to enjoy the benefits of sourcing savings from supply contracts negotiated by our parent company that leverages their volume requirements to secure the best terms from suppliers.

Earnings Per Share for Berger Paints Jamaica Limited was 31 cents at end of the financial year March 31, 2015. This was 19% above the comparative prior period. Our book value per share as at March 31, 2015 was \$2.67, an increase of 33.5% compared to \$2.00 as at March 31, 2014, due primarily to the remeasurement of the Defined Benefit pension plan, in keeping with the accounting requirements of IAS19.

Operating expenses (J\$ Millions)



Earnings per Share



### Berger's Financial Condition

Total assets increased by \$173.99 million or 20% moving from \$884.24 million for the financial year ended March 31, 2014 to \$1,058.23 million as at March 31, 2015.

The Company's liabilities at year end March 31, 2015 stood at \$485.734 million, an increase of \$30.2 million or 6.6% above March 31, 2014.





## Management Discussion & Analysis

### Environment, Health & Safety Programme (EHS)

The Company is committed to maintaining a safe and healthy environment for our employees, customers and other stakeholders and protecting the environment of the communities in which we do business. Our EHS programme continues to be deployed across our operations.

### Risk Management Framework

The Company's principal business activities – manufacture and sale of paints and paint related products, are by their nature, highly competitive and subject to various risks, including foreign exchange, credit, interest rate and liquidity risks.

The primary goal of the Company's risk management is to ensure that the outcomes of risk-taking activities are predictable and consistent with group policies and objectives and that there is an appropriate balance between risk and reward in order to maximise Shareholder returns.

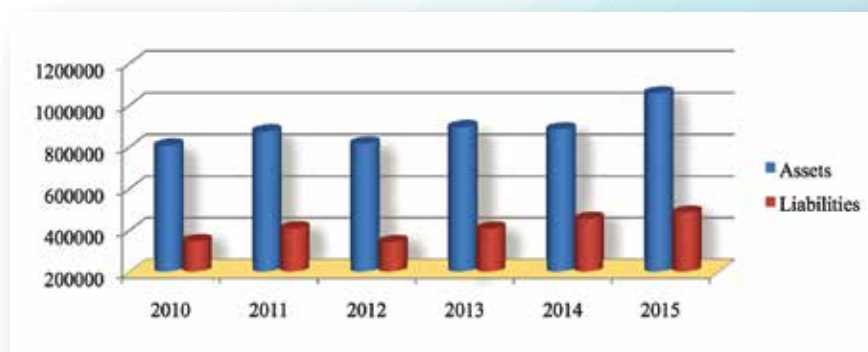
The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. To assist in its function the Board has established an Audit Committee.

### Overview of Risks

#### Credit Risk

Credit risk is defined as the potential for loss to the Company arising from the failure of a customer to honour their contractual obligations to the Company. In managing the risk, the Company has established a credit quality review process, involving regular analysis of the ability of customers and potential customers to meet payment obligations. The Company's primary objective is to be methodical in its assessment, so that it can better understand, select and manage its exposure.

### Assets and Liabilities Performance



### Foreign Exchange Risk

Foreign exchange risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Management consistently reviews the Company's exposure in this regard, by constant monitoring of factors influencing currency movements, including daily analysis of its demand for foreign currency to meet supplier payments and positioning our foreign currency bank account holdings accordingly.

### Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at, or close to, its fair value. Prudent liquidity risk management implies, maintaining sufficient cash and cash equivalents and the availability of funds through an adequate amount of committed facilities. Due to the nature of the underlying business, management of the Company maintains an adequate amount of its financial assets in liquid form to meet contractual obligations and other recurring payments.

### Strategic Direction and Outlook

Developments within the economy suggest that local conditions are improving. There is still a long road ahead in creating sustainable economic growth as fiscal prudence remains critical to Jamaica's long term success over the next few years. Despite the challenges we anticipate a positive future for Berger as we continue to respond with innovation and agility.

## Corporate Governance

One of the primary responsibilities of the Board of Directors and Management is to ensure Berger Paints Jamaica Limited ("Berger" or the "Company") has a robust and effective Corporate Governance framework so as to ensure greater transparency, protection of shareholder interests and to enhance the financial performance of the company.

### Board of Directors

The Company is led and managed by an effective Board that is responsible for the overall stewardship of Berger. Directors are elected by the shareholders to supervise the management of the business and affairs of the company with the goal of enhancing long term shareholder value.

To assist in its function, the Board has established an Audit Committee.

Regular meetings of the Board and Audit Committee are convened. Telephonic attendance and conference via audio-visual communication at Board meetings are allowed under the Company's Articles. Details of the frequency of Board and Audit Committee meetings held between April 1, 2014 and March 31, 2015, as well as the attendance of each Board member at these meetings are disclosed below:

	BOARD		AUDIT	
	No. of Meetings	Attendance	No. of Meetings	Attendance
Jalej Dani	4	0	N/A	N/A
Mustafa Turra **	4	4	4	4
Warren McDonald	4	3	4	3
Tom Thomas **	4	2	4	2
Michael Fennell	4	3	4	3
Pokar Chandiram	4	2	4	2
Milton Samuda	4	4	4	4
Newton Abrahams*	4	2	N/A	N/A

\* Alternate Director to Tom Thomas

\*\* Is not a member of the Audit committee but attends upon invitation of the Committee

Matters which are specifically reserved for decision making by the Board, include those involving corporate plans and budgets, material acquisitions and disposal of assets, corporate financial restructuring, share issues, dividends and other returns to Shareholders.

Although the day to day functions of the business are delegated to management, it is the Board which remains ultimately accountable to its Shareholders to ensure that the business is managed in compliance with applicable laws, and is consistent with safe and sound business practices.

The Company does not have a formal training programme for the Directors. However, in discharging that obligation, Directors may rely on the expertise of the Company's senior management, its outside advisors and Auditors. Directors are also briefed on the business and updated from time to time on relevant changes to statutes and regulatory requirements applicable to the Company's business.

In presenting the annual financial statements and quarterly financial statements to Shareholders, it is the aim of the Board to provide Shareholders with detailed analysis, explanations and assessment of the Company's financial position and prospects. Management currently provides the Board with appropriately detailed management accounts of the Company's performance, position and prospects on a quarterly basis.

All Independent Directors have access to all levels of senior executives in the Company and are encouraged to speak to other employees to seek additional information, if required.

### Board Balance and Independence

Each of the Non-Executive Directors brings considerable business and/or professional experience, independent challenge and rigour to the deliberations of the Board. The Board considers a Director to have met the criteria for independence if he or she:

- does not represent a substantial shareholding
- is not a close relative of a significant Shareholder
- does not have an employment relationship with the Company

As at March 31, 2015, the Board comprised four Non-Executive Directors and three Executive Directors. The names of the Directors including details of their qualifications and experience are set out on page 16 of this report. In accordance with the Company's Articles, one third of its Directors retire by rotation every year.

The Company Secretary attends all Board meetings and is responsible for ensuring that established procedures are followed and all relevant statutes and regulations which are applicable to the Company, are complied with. All Directors have separate and independent access to the Company Secretary.

### Audit Committee

The Committee assists the Board in fulfilling its responsibilities relating to:

- The integrity of the financial statements and any formal announcements relating to the Company's performance
- Overseeing the relationship between the Company and its external Auditors
- The review of the effectiveness and adequacy of the Company's internal and financial controls
- The review of the external audit plans and subsequent findings
- The review of the effectiveness of the services provided by the external Auditors and other related matters
- Litigation reviews
- The review of compliance reports

The work of the Audit Committee is supported by two Internal Audit departments, as the Company is audited annually by the Internal Audit departments of Berger International Limited (the Immediate Holding Company) and Asian Paints Limited (Ultimate Holding Company), the results of which are reported to the Audit Committee and the Board of Directors respectively.

In accordance with generally accepted Corporate Governance standards and the requirements of the Jamaica Stock Exchange Listing Agreement that the majority of Committee members should be independent, the Committee comprises only Non-Executive, Independent Directors.

The members of the Audit Committee are the Honourable Michael Fennell OJ, Mr. Milton Samuda, Mr. Pokar Chandiram and Mr. Warren McDonald. The Committee is chaired by Mr. Fennell.

The General Manager/Director and the Financial Controller/ Company Secretary are invited to Committee meetings at the discretion of the Committee.

# Directors' Report

**Year Ended March 31, 2015**

## 1. Operating results

	\$'000
Revenues	1,853,595
Profit before taxation	79,163
Net Profit After Tax	67,037

## 2. Dividends

A final dividend 8¢ per share totalling \$17.146 million for year ended March 31, 2014 was approved at the Company's Annual General Meeting and paid to shareholders on the Company's register of members at the close of business on June 20, 2014.

The Directors recommend a dividend of 12¢ per share totalling \$25.718 million for the year ended March 31, 2015 to be paid on July 13, 2015 to shareholders on the Company's register of members at the close of business June 24, 2015.

## 3. Directors

The Directors as at March 31, 2015 were as follows:-

Mr. Jalaj Dani – Chairman  
Mr. Mustafa Turra – General Manager  
Mr. Tom Thomas – Regional Head, Caribbean  
Hon. Michael Fennell, OJ  
Mr. Warren McDonald  
Mr. Milton Samuda  
Mr. Pokar Chandiram  
Mr. Newton Abrahams – Alternate Director to Mr. Tom Thomas

There were no Board changes during the year.

In accordance with Article 97 of the Company's Articles of Incorporation, Mr. Milton Samuda and Pokar Chandiram retire by rotation, and being eligible, offer themselves for re-election.

## 4. Auditors

The Auditors, Ernst & Young, have signified their willingness to continue in office. Their re-appointment will be proposed at the Annual General Meeting.

## 5. Employees

Your Directors wish to thank the management and staff of the company for their performance during the year under review.

## 6. Customers

Your Directors wish to thank our valued customers, for their support and contribution to the Company's performance during the year under review, and look forward to their continued support of the Berger brand of quality.

### BY ORDER OF THE BOARD



**Huron Gordon**  
Company Secretary

## Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the sixty-third Annual General Meeting of Berger Paints Jamaica Limited will be held at the Knutsford Court Hotel, 16 Chelsea Avenue or 11 Ruthven Road, Kingston 10, on Monday, June 22, 2015 at 10:00 a.m. for the following purposes:

1. To receive, consider and, if thought fit, approve and adopt the report of the Directors and Audited Accounts for the year ended 31st March, 2015, and the report of the Auditors on the Accounts.
2. To re-appoint the Auditors Ernst & Young, and authorize the Directors to fix their remuneration for the ensuing year.
3. To consider and, if thought fit, declare a final dividend.
4. To re-elect the retiring Director(s) and to fix the remuneration of the Directors.  
Pursuant to Articles 96 & 97 the Directors to retire from Office are Mr. Milton Samuda and Mr. Pokar Chandiram and being eligible offer themselves for re-election.

To consider and if thought fit pass the following resolutions:

- a) Be it RESOLVED THAT retiring Director Mr. Milton Samuda be and is hereby re-elected as a Director of the Company;
- b) Be it RESOLVED THAT retiring Director Mr. Pokar Chandiram be and is hereby re-elected as a Director of the Company.

BY ORDER OF THE BOARD



Huron Gordon  
Company Secretary

Dated this 29th day of April, 2015

REGISTERED OFFICE  
256 Spanish Town Road  
Kingston 11

### NOTES:

1. A member entitled to attend and vote at a General Meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company. A suitable form of proxy is enclosed. It must be lodged at the Company's registered office at least forty-eight hours before the time appointed for holding the meeting. The proxy form shall bear stamp duty of \$100 before being signed. The stamp duty may be paid by adhesive stamp(s) to be cancelled by the persons executing the proxy.
2. Pursuant to Article 74, a Corporate shareholder (member) may by resolution of its Directors' appoint a person (not a proxy) to attend and vote at the meeting.



# 7 Year Financial Statistical Review

**TABLE 1: SEVEN-YEAR SUMMARY OF SELECTED FINANCIAL DATA**

(in thousands )	2015	2014	2013	2012	2011	15 months to March 31, 2010	2008
<b>INCOME STATEMENT SUMMARY</b>							
Sales (Net of discounts and rebates)	1,853,595	1,737,995	1,608,216	1,540,689	1,498,241	1,829,255	1,527,014
Operating profit	79,158	80,572	56,235	50,121	100,189	100,540	29,106
Investment revenues	27	272	270	855	943	728	292
Finance costs	(22)	(136)	(27)	(1,574)	(41)	(5,852)	(7,919)
Profit before taxation	79,163	80,708	56,478	49,402	101,091	95,416	21,479

**TABLE 2: KEY RATIOS AND PER COMMON SHARE DATA**

<b>PROFITABILITY RATIOS</b>							
Return on average shareholders' equity	13%	12%	9%	7%	15%	17%	4%
Return on average total assets	7%	6%	5%	4%	8%	8%	2%
Profit margin	4%	3%	3%	2%	5%	4%	1%
Effective tax rate	15%	32%	25%	33%	33%	22%	28%
<b>PER COMMON SHARE DATA</b>							
Earnings per share	\$0.31	\$0.26	\$0.16	\$0.16	\$0.32	\$0.35	\$0.07
Book Value per share	\$2.67	\$2.00	\$2.24	\$2.20	\$2.17	\$2.14	\$1.89

## Board of Directors



**Mr. Jalaj Dani**  
Chairman  
B.Sc. (Chemical Eng.),  
M.Sc. (Chemical Eng.)

Chairman of Berger International Limited since 2005, he manages the international operations of Asian Paints Limited, spanning nineteen countries. He also heads the HR and Chemical business of Asian Paints. Mr. Dani sits on the Boards of several international subsidiaries of Asian Paints Limited and other Indian companies. He is a member of the Management Council of the International Business Unit of Asian Paints, the ultimate parent company of Berger Paints Jamaica Limited. He has been Chairman of the Board since 2002.



**Mr. Mustafa Turra**  
General Manager/ Director  
B. Tech. (Electrical),  
Post Graduate (Business Mgmt.)

Mr. Turra has 10+ years of work experience in the paint industry. His experience includes sales, marketing and general management. He has worked as Brand Manager in the Marketing Department of Asian Paints Limited and thereafter as the Regional Marketing Manager for three subsidiaries of the Asian Paints Group in the Middle East, which included Berger International subsidiaries in the United Arab Emirates and the Kingdom of Bahrain. He was appointed General Manager of Berger Paints Jamaica Limited on May 1, 2013 and is also a Director of the Company.



**Mr. Tom Thomas**  
Regional Head/ Director  
Caribbean  
B.Tech. (Electronics)

He is a General Manager in the Asian Paints Group and supervises the Berger subsidiaries in the Caribbean and Singapore. He also supervises Asian Paints subsidiaries in the South Pacific, besides handling other responsibilities in the Asian Paints Group.



**Hon. Michael Fennell, OJ, CD**  
Independent Director  
LLD (Honoris Causa)

A past Managing Director of Berger Paints Jamaica Limited, Mr. Fennell, is a Management Consultant who serves on many Boards in both the Public and Private Sectors. A respected national, regional and international sports administrator, he is the Immediate Past President and a current Life-Vice President of the Commonwealth Games Federation, as well as President of the Jamaica Olympic Association. He has been a Board member since 1983.



**Mr. Warren McDonald, JP**  
Independent Director  
F.C.A., B.Sc. (Hons.) Economics

A past Regional Managing Director, Mr. McDonald, was employed to Berger Paints Jamaica Limited for 33 years, 20 of which he served as Managing Director. He was appointed an Independent Director in May 2013. He is the President of the Jamaica Chamber of Commerce and serves on several Boards, in both the Public and Private Sectors.



**Mr. Milton Samuda**  
Independent Director  
LLB. (Hons.)

An attorney-at-law and the Managing Partner at Samuda & Johnson, he serves on several other Boards in both the Public and Private Sectors. He is also the Chairman of Jamaica Trade and Investment (JAMPRO) and of Sabina Park Holdings Limited. He has been a Board member since 2004.



**Mr. Pokar Chandiram, CD, JP**  
Independent Director  
B.Sc. (Business Administration)

The Managing Director of K. Chandiram Limited since 1979, Mr. Chandiram is also Chairman of Bijoux Limited. He is a Director of several Boards in the Private Sector, including Berger Paints Jamaica Limited since 1994. He was awarded the Prime Minister's Medal for community work in 1993.





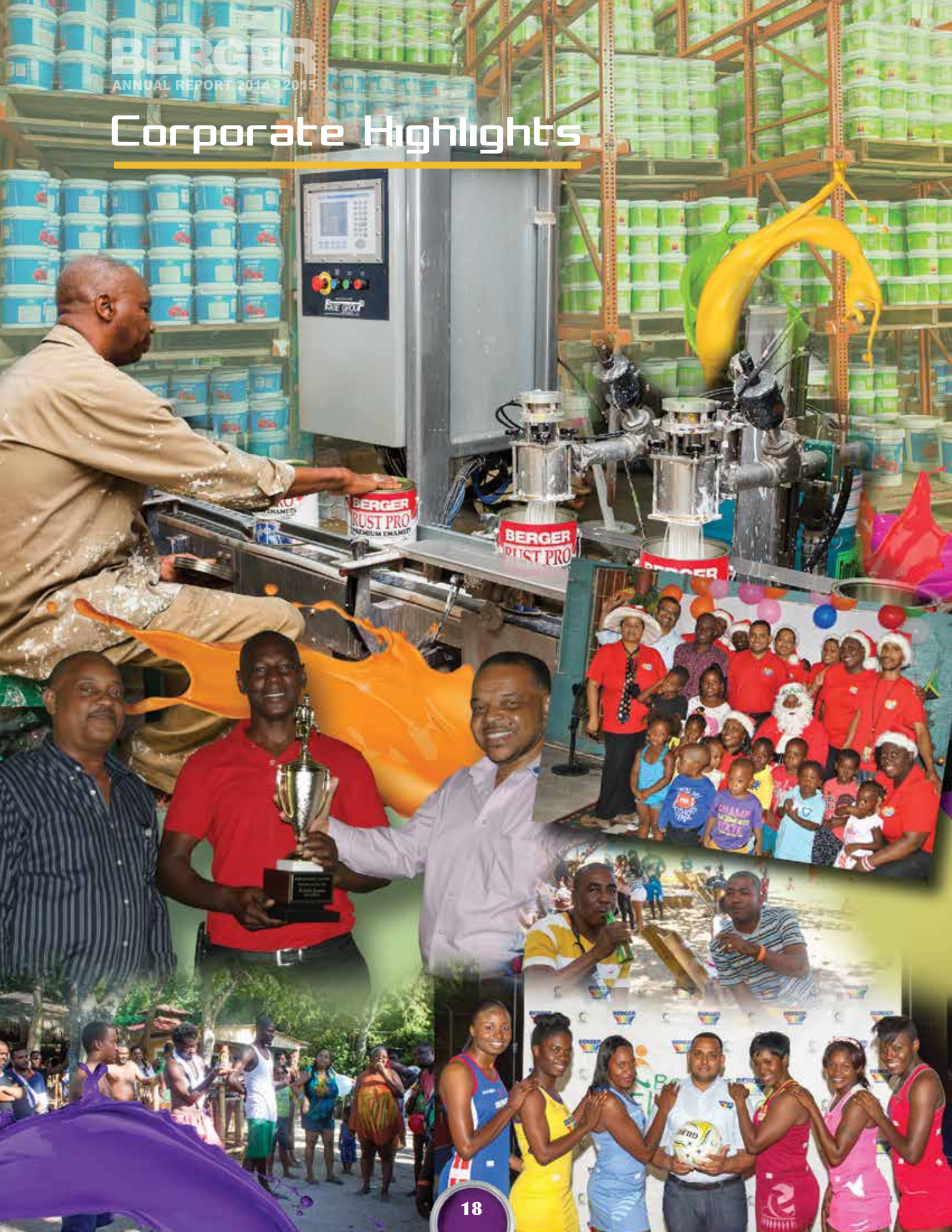
## Management Team



Front row left to right: **Newton Abrahams** – Sales Manager, **Jacqueline Warren-Wilson** – Assistant Technology Manager, **Mustafa Turra** – General Manager, **Gladys Miller** – Operations and Regional Technology Manager, **Arnold Bloomfield** – Personnel Manager  
Back row left to right: **Huron Gordon** - Financial Controller/Company Secretary, **M. V. Sreejith** – Regional Supply Chain Manager



# Corporate Highlights









## Disclosure of Shareholdings

LIST OF SHAREHOLDERS  
AS AT 31 MARCH 2015

10 LARGEST SHAREHOLDERS

SHAREHOLDERS	SHAREHOLDING	% OF ISSUED CAPITAL
LEWIS BERGER (OVERSEAS)	109,332,222	51.01
SAGICOR PIF EQUITY FUND	22,284,944	10.40
IDEAL GROUP CORPORATION LIMITED	10,988,500	5.13
IDEAL PORTFOLIO SERVICES COMPANY LIMITED	4,689,996	2.19
NATIONAL INSURANCE FUND	4,642,791	2.17
IDEAL BETTING COMPANY LIMITED	4,624,152	2.16
KEY INSURANCE COMPANY LIMITED	3,799,999	1.77
JCSD TRUSTEE SERVICES LIMITED - SIGMA OPTIMA	2,943,098	1.37
MAYBERRY WEST INDIES LIMITED	2,615,252	1.22
FIRST JAM./H.E.A.R.T/NTA PENSION SCHEME	2,433,500	1.14
TOTAL	168,354,454	78.55

DIRECTORS' SHAREHOLDINGS  
AS AT 31 MARCH 2015

DIRECTORS	SHAREHOLDING	CONNECTED PARTY	SHAREHOLDING
JALAJ DANI	NIL		
WARREN McDONALD	704,911		
POKERDAS CHANDIRAM CHATANI	45,000		
MICHAEL FENNELL	9,213		
MILTON SAMUDA	NIL	MILTON SAMUDA/ ELIZABETH SAMUDA	12,007
TOM THOMAS	NIL		
MUSTAFA TURRA	NIL		
TOTAL	759,124		12,007

SENIOR MANAGEMENT SHAREHOLDING  
AS AT 31 MARCH 2015

SENIOR MANAGEMENT	SHAREHOLDING
NEWTON ABRAHAMS	NIL
ARNOLD BLOOMFIELD	NIL
GLADYS MILLER	18,240
HURON GORDON	2,352
MUSTAFA TURRA	NIL
SREEJITH VENUGOPAL	NIL
JACQUELINE WARREN-WILSON	3,799
TOTAL	24,391