

STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017

This statement sets out the material facts pertaining to the special business to be transacted at the Annual General Meeting of the Company to be held on October 24, 2019. To renew loan of Rs. 40,000,000/- (Rupees Forty Million) to Berger Road Safety (Private) Limited.

All material terms of the transaction is attached with this notice.

Information Required under Clause (b) of sub-regulation (1) of Regulation 3 of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2012

S. No.	Description	Information Required
1	Name of the associated company or associated undertaking along with criteria basis on which the associated relationship is established;	Berger Road Safety (Private) Limited Berger Paints Holds 51% shares in Berger DPI (Pvt.) Limited which holds 100% shares in Berger Road Safety (Private) Limited.
2	Amount of loans;	Rs.40,000,000
3	Purpose of loans and benefits likely to accrue to the investing company and its members from such loans or advances;	BRS has shown significant growth in Sales in last three years. To maintain this growth pattern, company needs additional funds to invest in working capital.
4	In case any loan has already been granted to the said associated company or associated undertaking, the complete details thereof;	No loan has been given to Berger Road Safety (Private) Limited before.
5	Financial position, including main items of balance sheet and profit and loss account of the associated company or undertaking on the basis of its latest financial statements;	Attached as Annex A

6	Average borrowing cost of the investing company or in case of absence of borrowing the Karachi Inter Bank Offered Rate for the relevant period;	15%
7	Rate of interest, mark up, profit, fees or commission etc. to be charged;	Company borrowing cost plus 2%
8	Sources of funds from where loans will be given;	Internal cash generation of the Company
9	Where loans or advances are being granted using borrowed funds: a) justification for granting loan or advance out of borrowed funds; b) detail of guarantees / assets pledged for obtaining such funds, if any; and c) repayment schedules of borrowing of the investing company;	Not applicable
10	Particulars of collateral security to be obtained against loan to the borrowing company or undertaking, if any;	Against Stocks and receivables
11	If the loans or advances carry conversion feature i.e. it is convertible into securities, this fact along with complete detail including conversion formula, circumstances in which the conversion may take place and the time when	Not applicable

	the conversion may be exercisable;	
12	Repayment schedule and terms of loans or advances to be given to the investee company;	To be repaid at the end of 3 rd year
13	Salient feature of all agreements entered or to be entered with its associated company or associated undertaking with regards to proposed investment;	Except mentioned in this document, there is no other agreement entered with associated company.
14	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration;	Dr. Mahmood Ahmed (CEO of BPPL) is also a director of Berger Road Safety (Private) Limited
15	Any other important details necessary for the members to understand the transaction; and	Not Any.
16	In case of investment in a project of an associated company or associated undertaking that has not commenced operations, in addition to the information referred to above, the following further information is required: a) a description of the project and its history since conceptualization;	Not Applicable

	<ul style="list-style-type: none"> b) starting date and expected date of completion; c) time by which such project shall become commercially operational; d) expected return on total capital employed in the project; and e) funds invested or to be invested by the promoters distinguishing between cash and non-cash amounts; 	
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Inspection:

All the documents related to the special business are being kept at the register office of the Company for inspection during usual business hours till the date of the Annual General Meeting.