

# **Danish Indian Paint Company ApS**

Gladsaxevej 300

2860 Søborg

CVR No. 11899331

## **Annual Report 2014**

27. financial year

The Annual Report was presented and  
adopted at the Annual General Meeting of  
the Company on 13 May 2015

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Peter Flemming Sørensen  
Chairman

## Danish Indian Paint Company ApS

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## **Danish Indian Paint Company ApS**

### **Management's Statement**

Today, Management has considered and adopted the Annual Report of Danish Indian Paint Company ApS for the financial year 1 January 2014 - 31 December 2014.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2014 and of the results of the Company's operations for the financial year 1 January 2014 - 31 December 2014.

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Søborg, 13 May 2015

#### **Executive Board**

Peter Flemming Sørensen

#### **Supervisory Board**

Ramaprasad Vadlamannati  
Chairman

Peter Flemming Sørensen

Pascal Tisseyre

**Danish Indian Paint Company ApS**

## **Independent Auditor's Report**

**To the shareholders of Danish Indian Paint Company ApS**

### **Report on the Financial Statements**

We have audited the Financial Statements of Danish Indian Paint Company ApS for the financial year 1 January 2014 - 31 December 2014 comprising Accounting Policies, Income Statement, Balance Sheet and Notes. The Annual Report is presented in accordance with the Danish Financial Statements Act.

#### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of the Financial Statements in accordance with the Danish Financial Statements Act, and for such internal controls as Management determines is necessary to enable preparation of Financial Statements that are free from material misstatements, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Financial Statements based on our audit. We have conducted our audit in accordance with international standards on auditing and additional requirements under Danish auditor regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain a high degree of assurance as to whether the Financial Statements are free from material misstatements.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The audit procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements in the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Company's preparation of Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the Financial Statements.

In our opinion, the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualifications.

#### **Opinion**

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2014 and of the results of the Company's operations for the financial year 1 January 2014 - 31 December 2014 in accordance with the Danish Financial Statements Act.

#### **Statement on Management's Review**

We have read Management's Review in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit of the Financial Statements. On this basis, in our opinion, the information provided in Management's Review is in accordance with the Financial Statements.

Hellerup, 13 May 2015

**PricewaterhouseCoopers**  
**Statsautoriseret Revisionspartnerselskab**

Martin Lunden  
State Authorised Public Accountant

Henrik Y. Jensen  
State Authorised Public Accountant

## Danish Indian Paint Company ApS

### Company details

<b>Company</b>	Danish Indian Paint Company ApS Gladsaxevej 300 2860 Søborg
CVR No.	11899331
Date of formation	1 January 1988
Registered office	Søborg
Financial year	1 January 2014 - 31 December 2014
<b>Supervisory Board</b>	Ramaprasad Vadlamannati, Chairman Peter Flemming Sørensen Pascal Tisseyre
<b>Executive Board</b>	Peter Flemming Sørensen
<b>Auditors</b>	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup

## Management's Review

### **The Company's principal activities**

The Company's principal activities consist in investments in the color- and coating industri aswell as connected business.

### **Development in activities and financial matters**

The Company's Income Statement of the financial year 01-01-2014 - 31-12-2014 shows a result of DKK 71.532 and the Balance Sheet at 31-12-2014 a balance sheet total of DKK 7.367.097 and an equity of DKK 7.341.167.

### **Post financial year events**

After the end of the financial year, no events have occurred which may change the financial position of the Company substantially.

## **Accounting Policies**

### **Reporting Class**

The Annual Report of Danish Indian Paint Company ApS for 2014 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

### **Reporting currency**

The Annual Report is presented in Danish kroner.

## **General Information**

### **Basis of recognition and measurement**

Income is recognised in the Income Statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortised cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the Income Statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the Income Statement.

Assets are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will accrue to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the Annual Report, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

## **Income Statement**

### **Other external expenses**

Other external expenses comprise expenses regarding sale and administration.

### **Financial income and expenses**

Financial income and expenses are recognised in the Income Statement with the amounts that concern the financial year. Financial income and expenses include interest income and expenses, realised and unrealised capital gains and losses regarding securities, debt and foreign currency transactions, dividends received from other equity investments, amortisation of financial assets and liabilities as well as surcharges and allowances under the tax repayment scheme.

### **Tax on net profit/loss for the year**

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and

## **Accounting Policies**

deferred tax regarding changes in equity is recognised directly in equity. The Company and the Danish associates are taxed jointly. The Danish income tax is distributed between profit- and loss-making Danish enterprises in relation to their taxable income (full distribution).

## **Balance Sheet**

### **Equity investments in group enterprises and associates**

Equity investments in group enterprises and associates are measured at cost. Dividends that exceed accumulated earnings of the group enterprise or the associate during the ownership period are treated as a reduction of the cost. If cost exceeds the net realisable value, a write-down to this lower value will be performed.

### **Receivables**

Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

### **Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and in hand as well as short-term securities with a term of less than three months which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

### **Financial liabilities**

Fixed-rate loans such as mortgage loans and loans from credit institutions are recognised initially at the proceeds received less transaction expenses incurred. In subsequent periods, loans are measured at amortised cost so that the difference between the proceeds and the nominal value is recognised in the Income Statement as an interest expense over the term of the loan.

Other liabilities are measured at amortised cost which usually corresponds to the nominal value.

### **Current tax liabilities**

Current tax liabilities and current tax receivables are recognised in the Balance Sheet as calculated tax on the expected taxable income for the year, adjusted for tax on taxable income for previous years as well as for tax prepaid.

### **Contingent assets and liabilities**

Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.

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Income Statement

	Note	2014 kr.	2013 kr.
Other external expenses		70.181	-67.244
<b>Gross result</b>		<b>70.181</b>	<b>-67.244</b>
<b>Profit from ordinary operating activities</b>		<b>70.181</b>	<b>-67.244</b>
Finance expences	1	-1.500	-5.495.364
<b>Profit from ordinary activities before tax</b>		<b>68.681</b>	<b>-5.562.608</b>
Tax expense on ordinary activities	2	2.851	30.416
<b>Profit</b>		<b>71.532</b>	<b>-5.532.192</b>
Retained earnings		71.532	-5.532.192
		<b>71.532</b>	<b>-5.532.192</b>

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Balance Sheet as of 31. December

	Note	2014 kr.	2013 kr.
<b>Assets</b>			
Long-term investments in associates	3, 4	4.569.080	4.569.080
<b>Investments</b>		<b>4.569.080</b>	<b>4.569.080</b>
<b>Fixed assets</b>		<b>4.569.080</b>	<b>4.569.080</b>
Short-term trade receivables		0	183.816
Short-term receivables from group enterprises		2.210.437	22.971
Other short-term receivables		0	17.355
Current deferred tax		0	2.184.615
<b>Receivables</b>		<b>2.210.437</b>	<b>2.408.757</b>
<b>Cash and cash equivalents</b>		<b>587.580</b>	<b>291.798</b>
<b>Current assets</b>		<b>2.798.017</b>	<b>2.700.555</b>
<b>Assets</b>		<b>7.367.097</b>	<b>7.269.635</b>

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Balance Sheet as of 31. December

	Note	2014 kr.	2013 kr.
<b>Liabilities and equity</b>			
Contributed capital	5	3.566.000	3.566.000
Retained earnings	6	3.775.167	3.703.635
<b>Equity</b>		<b>7.341.167</b>	<b>7.269.635</b>
Other payables		25.930	0
<b>Short-term liabilities other than provisions</b>		<b>25.930</b>	<b>0</b>
<b>Liabilities other than provisions within the business</b>		<b>25.930</b>	<b>0</b>
<b>Liabilities and equity</b>		<b>7.367.097</b>	<b>7.269.635</b>
Contingent liabilities	7		
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Notes

	2014	2013
<b>1. Finance expenses</b>		
Impairment of financial assets	0	5.430.000
Finance expenses arising from group enterprises	0	65.063
Other finance expenses	1.500	301
	<b>1.500</b>	<b>5.495.364</b>

**2. Tax expense**

Tax of the year	-176.018	-22.971
Adjustment prior years	0	-325.545
Adjustment deferred tax	173.167	318.100
	<b>-2.851</b>	<b>-30.416</b>

**3. Disclosure in long-term investments in group enterprises and associates**

*Associates*

Name	Registered office	Share held in		Equity	Profit
			%		
Tintas Syrup S.A.*	Portugal	25,00		20.000.616	5.094.152
Pinturas Dyrup*	Spain	15,00		-11.782.548	-10.356.059
				<b>8.218.068</b>	<b>-5.261.907</b>

\*Estimated figures 2014 based on non audited numbers.

**4. Long-term investments in associates**

Cost at the beginning of the year	19.999.080	19.999.080
<b>Cost at the end of the year</b>	<b>19.999.080</b>	<b>19.999.080</b>
Fair value adjustments at the beginning of the year	-15.430.000	-10.000.000
Adjustments for the year	0	-5.430.000
<b>Fair value adjustments at the end of the year</b>	<b>-15.430.000</b>	<b>-15.430.000</b>
<b>Carrying amount at the end of the year</b>	<b>4.569.080</b>	<b>4.569.080</b>

**5. Contributed capital**

Balance at the beginning of the year	3.566.000	3.566.000
<b>Balance at the end of the year</b>	<b>3.566.000</b>	<b>3.566.000</b>

	2014	2013	2012	2011	2010
Balance, beginning of the year	3.566.000	3.566.000	3.566.000	3.250.000	3.250.000
Additions during the year				316.000	
<b>Balance, end of the year</b>	<b>3.566.000</b>	<b>3.566.000</b>	<b>3.566.000</b>	<b>3.566.000</b>	<b>3.250.000</b>

Notes

	2014	2013
<b>6. Retained earnings</b>		
Balance at the beginning of the year	3.703.635	-5.810.032
Profit for the year	71.532	-5.532.192
Group contributions	0	3.361.859
Transferred from share premium	0	11.684.000
<b>Balance at the end of the year</b>	<b>3.775.167</b>	<b>3.703.635</b>

**7. Contingent liabilities**

No contingent liabilities exist at the balance sheet date.

The Company is jointly taxed with the other enterprises in the group and are jointly and severally liable for the taxes that concern the joint taxation.

The total amount appears in the annual report of PPG Coatings Danmark A/S which is the administration company in the joint taxation.

**8. Collaterals and securities**

No securities or mortgages exist at the balance sheet date.