



3rd June, 2020

Ref. STOCK EXG/AG/2020-21

The Corporate Relationship Department B S E Limited 1 st Floor, Phiroze Jeejeebhoy, Dalal Street <u>Mumbai – 400001</u>	The Listing Department National Stock Exchange of India Limited Exchange Plaza, 5 th Floor, Plot No.-C/1, ‘G’ Block, Towers Bandra- Kurla Complex, Bandra (E), <u>Mumbai – 400051</u>	Listing Department The Calcutta Stock Exchange Limited 7 Lyons Range, <u>Kolkata-700001</u>
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Scrip code: 509480

Scrip Code: BERGEPAIN T

Scrip Code: 12529

Dear Sirs,

Sub: Intimation under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

The lockdowns and restrictions imposed by national governments has impacted businesses not only in India but all over the world. These have posed serious challenges to the business operations of Berger Paints India Limited (hereinafter referred to as the “Company” or “Berger”) and its subsidiaries.

Pursuant to Regulation 30 of Listing Regulations read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20th May, 2020, following are the details summarizing the impact of the COVID-19 pandemic and the resultant lockdown and restrictions on the operations of the Company:

Indian operations:

- **Business:** the business operations were severely impacted from the middle of March 2020 till 4th May 2020 when the Company was able to resume business partially, particularly in the upcountry markets and smaller towns. Almost all the warehouses and billing points across the country have opened, barring those in the containment zones and areas where there are restrictions imposed by the State Governments, though the business in the metro cities, particularly in the Western part of the country is yet to pick up. The Company is hopeful that even in these severely affected zones, demand will gradually improve once the restrictions are withdrawn. The Company has been able to resume production in all its plants after taking the necessary permissions from the Government. However, the ramp up of production levels will be done gradually to allow for the inventory build up to be gradually reduced since April 2020 sales were extremely low. However, from the month of May there were signs of recovery.
- **Steps taken to ensure smooth and safe functioning of operations:** All facilities which are open across the Company have been sanitized as per the recommendations of the respective Governments to ensure that work conditions are safe. All recommended procedures relating to monitoring of employees body temperature, wearing of masks,



BERGER PAINTS INDIA LIMITED

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enforcing social distancing, use of good hygiene practices have been implemented and are being adhered to .

- Employees: The safety of our employees are paramount and several measures have been undertaken to ensure their well-being and good health. Wherever possible, employees are working from home in accordance with the guidelines issued by the relevant authorities. All employees have been instructed to download the Aarogya Setu app launched by the Government of India. Where possible, staggered shifts have been implemented to ensure minimum interaction and proper social distancing.

- Other Stakeholders:

Payments to painters and painting contractors have been upfronted to the tune of Rs.9.5 crores to support them in these difficult times. The Company has also prioritized payments to its MSME vendors. The Company has initiated safety measures in its Express Painting service keeping customers' health and well-being in view. The Company has also undertaken appropriate CSR activities to help the cause.

- New Products - Foray into the Hygiene and Wellness segment:

With the increase in demand of Hand Sanitizers in the post Covid-19 scenario, the Government had reached out to various established players with a reputation of supplying quality products and having a strong distribution network to manufacture hand sanitizers in the time of shortfall. The Company rose to the challenge and within the shortest possible time have started supplying BreatheEasy+ Hand Sanitizers in the market. The Company is also entering into the Home Hygiene segment too as an extension of the BreatheEasy+ brand. Since painting involves activities inside and outside houses over a long period of time, these are considered to be an extension of the Company's existing business.

- Impact on capital and financial resources , cost reduction, assets, liquidity position, future operations:

The Company continues to enjoy the highest rating for both short and long term borrowings by its rating agency.

The Company was able to manage the sharp drop in business and consequently lower collections in April 2020 by accessing the market for commercial papers at competitive rates.

The Company has initiated cost reduction and cash conservation measures to adjust to the new norms for business and is expected to come out of the pandemic and lockdown related challenges with improved efficiency and effectiveness in all aspects of the Company's operations.



BERGER PAINTS INDIA LIMITED



The Company does not foresee any challenge, currently, in recovering or realizing its assets.

Given the fluid and dynamic nature of the business environment, the Company is unable to gauge with any degree of certainty the ultimate impact of the pandemic on its future operations but is hopeful that it will be able to respond quickly to the changing business scenario and further consolidate its position in the market.

- Existing Contracts/agreements

The Company is also well positioned to fulfil its obligations and existing contracts and arrangements.

- Non-fulfillment of obligations by any party

The Company does not foresee any eventuality which will have significant impact on the business in case of non-fulfilment of any obligations by any party.

International Operations:

- Our largest international operation in Poland has been relatively less affected by the lockdown measures compared to other European countries since the products are largely consumed on construction sites, which, by and large, have continued to operate.
- Lockdown measures continue in Nepal and we have imposed restrictions on attendance at offices and warehouses/depots, though our plants are yet to resume operations because of the higher inventory levels currently. Sales are improving gradually as the restrictions are withdrawn. However, sanitization, social distancing and other safety measures are being strictly implemented to ensure the safety of employees and customers.

This is for your information and records, please.

Thanking you.

Yours faithfully,

For **BERGER PAINTS INDIA LIMITED**

ARUNITO GANGULY

VICE PRESIDENT & COMPANY SECRETARY