



Dear Shareholders,

I along with my colleagues on the Board welcome you to the 96th Annual General Meeting of Berger Paints India Limited.

I am delighted to chair the 96th Annual General Meeting of this marquee Company with remarkable legacy and lineage nearing one hundred years.

This meeting is being held through video conferencing due to the COVID 19 pandemic, in line with the circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India which allows our shareholders across all geographies to participate.

I trust that you have received your e-copy of the Annual Report. During the financial year 2019-20 the businesses of the Company have performed as per expectations. The consolidated Revenue from Operations was growing at the rate of 10% over that of the previous year till the disturbances arising out of the COVID 19 pandemic started impacting business in March 2020. Despite that, at the financial year end the consolidated Revenue from Operations was Rs. 6,366 crore registering an increase of 5% over that of the previous year. The EBITDA was Rs. 1,061 crore on a consolidated basis, which grew by 13.41%. Consolidated Net Profit also grew by 32.84%. You will be pleased to note that your Company has paid an interim dividend of Rs. 1.90 (190%) in March 2020 and the Board recommends a final dividend of Re. 0.30 (30%), aggregating a total dividend of Rs 2.20 (220%) per equity share of Re 1 each in 2019-20. The market capitalization of the shares of the Company stood at Rs 48,363 crores as on 31<sup>st</sup> March, 2020 as against Rs 31,440 crores as on 31<sup>st</sup> March, 2019 – an increase of more than 50% in one year.

The CAGR of EBITDA was 16.8% over the last five years. The decorative business contributed the most to this achievement. With a range of innovative and quality product offerings coupled with extensive research carried out by R & D, the popularity of the premium range of products



is rising by every passing day. Your Company's pioneering home painting business 'Berger Express Painting' provides hassle free painting aimed at end to end solution at an attractive cost. This has now been further improved considering the current situation which not only warrants a faster and cleaner painting experience but also a safer one that is now reflected in its new slogan "Faster Cleaner and Safer". The Express Painting safety kit developed for painters ensures a safer painting experience. From a platform of 'FASTER CLEANER and BETTER' it has transcended to 'FASTER CLEANER and SAFER' with the use of consumer and Arogya Setu App, safety kit, protective equipment, cleaner, sanitizer and disinfectant by the painters and regular temperature scanning and health monitoring while they undertake their work. The 'Silk Breathe Easy' is the latest addition to the array of offerings under the ever popular 'Silk Brand'. It significantly reduces pollution and kills bacteria and viruses. It is positioned as 'Ghar ka Sanitizer' which is approved by the Indian Medical Association. The anti-pollution property helps to protect immunity and is certified by Singapore Green label for being environment-friendly paint. Introduction of WeatherCoat Champ was made during the year to cater to the requirement of a durable, value for money product with enhanced tensile strength and weatherability of the paint film. To meet the needs of people residing in high rainfall and coastal markets Luxol 7in1 was introduced for protecting metal, grills, gates and shutters from corrosion.

You will be proud to note that your Company retained its position as the leader in Protective Coating business in the country registering strong growth in sales.

A slew of innovative offerings in the General Industrial and Automotive Business ensured that we have a sizeable presence across industries and helped countering the challenges arising out of the deceleration in automotive industry. Your Company's Powder Coating business scaled a new height with the innovation of Anti-microbial powder coatings designed perfectly



for protection from microbial attack on coated surfaces, meant for use in hospital beds, public transport, furniture for public use and home consumer durables.

The Homeshield water proofing range saw several innovative offerings being introduced and well accepted in the markets. The introduction of the new moisture meter based scientific waterproofing solution with warranty is a revolution in the Industry. The buffet of ingenious offerings include the Wall Shield 2K, Dampstop, Waterproof Putty, Seal-O-Prime, Dampshield Elasto, Roofguard and PU Roofcoat. The acquisition of STP Ltd. with its expertise in manufacturing and supplying construction chemicals, flooring compounds, bitumen and coal tar-based products, sealants and adhesives, protective and anti-corrosive coatings is a significant move towards your Company's unending commitment for meeting consumer aspiration and growth in this area. We are already seeing the benefits of this synergy as a result of this acquisition and are confident that the two entities will complement each other in various areas of manufacturing, selling, distribution, procurement, technology thus resulting in significant benefits to the Group.

The need to provide sanitisers and other protective solutions to the Company's business ecosystem comprising painters, dealers, home owners and other partners, during the early days of lockdown, prompted the Company to foray into the hand sanitisers, multi-purpose sanitisers and home hygiene space under the umbrella brand 'BreatheEasy'. This integrates well with the Company's existing network and I am happy to report that there is enthusiastic response from the market.

Friends, the COVID 19 pandemic and the resultant economic crisis has truly tested the core strength and values of your Company and I would like to mention that Berger has responded in the most suitable manner. With an eye to bring differentiated products keeping customer benefits and user friendliness in mind, the strong manufacturing, R & D and marketing teams are constantly striving in order to bring better and newer consumer experience. Under the able guidance of the Board of Directors, the Company's quality products and motivated work force



stand as pillars of strength that infuses a lot of confidence to the management and stakeholders. The unforeseen pandemic has taught us once again that we cannot predict the ways of nature. Hence, we must continuously reinvent, engage with the stakeholders and be prepared to face any uncertainty. There must be initiatives which touch the consumers across all levels, in person and over digital media, in cities, towns and remotest of villages. The aspirations are common and therefore the reach should be uniform. We have been successful in our efforts in the short term. With innovation, quality, ethics and service as our key values, we have overcome many challenges and will continue to do so in the long term, with all of your support.

Thank you,

Kuldip Singh Dhingra  
Chairman

Date- 25th September 2020