



June 5, 2020

The Secretary,  
Listing Department,  
BSE Limited,  
1st Floor, Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400001  
Scrip Code: 531642

The Manager,  
Listing Department,  
The National Stock Exchange of India Limited  
'Exchange Plaza', C-1 Block G,  
Bandra Kurla Complex, Bandra (East)  
Mumbai - 400051  
Scrip Symbol: MARICO

Dear Sir/Madam,

**Sub: Intimation under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) - COVID-19 Update**

In continuation of the earlier intimations filed by the Company on March 26, 2020 and April 23, 2020, on the subject and further to the advisory issued by SEBI vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020; the impact of COVID-19 pandemic on the Company's business and operations and the probable consequences in the near future are summarised below.

- (i) Impact of the COVID-19 pandemic on the business and operations so far
- (ii) Ability to maintain operations including the factories/units/office spaces functioning and closed down
- (iii) Schedule, if any, for restarting the operations
- (iv) Steps taken to ensure smooth functioning of operations

The unprecedented COVID-19 pandemic followed by the nation-wide lockdown announced by the Government has impacted both the Company and its consumers. The last week of March'20 and first fortnight of April'20 witnessed significant disruptions in the business and operations of the Company. The Company resumed operations in its Edible oils and Foods businesses in early April, as servicing of food and grocery items of daily use were permitted by the Government. The Hair Oils & Personal Care operations resumed in late April to early May. With the situation gradually improving, the month of May saw a near-normal throughput in all the categories except the Premium Personal Care business. The Company continues to evaluate the impact of the pandemic as the situation evolves.

**India Operations:**

- **Offices:** The Company is committed to the well-being, health and safety of its employees and support staff. It continues to take all the necessary measures to contain the COVID-19 pandemic and abide by the directions and advisories issued by the Government. All offices across India were shut down on the announcement of a lockdown by the Government and Work from Home policy was enforced by the Company. Notwithstanding the remote working conditions, the Company continued to maintain the spirit of collaboration and a healthy morale among employees across the organisation through regular check-ins and various engagement and support-led initiatives using virtual platforms. All employees have been advised to download the Aarogya Setu App launched by the Government of India.



Since then, select offices have resumed with limited attendance in adherence with the Government directions/advisories. While the Company has taken all necessary precautions to ensure the safety and security of these employees, it has also started preparing to ensure a safe return to the workplace for the rest as lockdowns are being gradually relaxed by the Government.

- **Manufacturing & Supply Chain:** Based on the Government Orders/Advisories to ensure continued supplies of food and grocery items of daily use to the consumers, the Company resumed production of Edible Oils and Foods in April, although at a reduced capacity, and thereafter in May, the production in these categories reached a near normal level. In the Hair Oils & Personal Care categories, the operations resumed in late April to early May at a lower capacity and are gradually scaling up in June.

Although there have been intermittent challenges on labour availability caused by mass exodus of migrant labour to their hometown in the past few weeks, the Company is mitigating this risk through alternate arrangement for sourcing labour as well as augmenting additional capacities.

The Company has taken various measures to take care of the livelihoods of migrant labour and their safety and security during the lockdown phase. It has also provided an adequate health insurance cover to the third-party workmen.

The Company continues to focus on the safety of all its members in the value chain and has deployed highest safety and hygiene standard across all its manufacturing and supply chain locations. It has also embraced emerging technologies like Video Analytics, Artificial Intelligence along with contact less automated screening of all its members in order to ensure adherence to the physical distancing and safety protocols in factories.

The early disruptions caused in the supply chain are being partially countered as the Company has adopted newer and alternate models like directly supply to distributors and large modern trade stores thereby compressing the supply chain time.

- **Distribution:** The Distribution network which was disrupted during March due to restriction on movement of goods and people, improved progressively during April and May with the Government gradually easing the movement of essential commodities. The Company continues to work with its business partners and support them to effectively tide over this crisis. It has ensured that employees of our C&F agents and distributors' frontline field forces are observing necessary safety precautions and are adequately covered by Health insurance.

Further, in order to improve the reach of food and grocery items of daily use to the consumers, the Company adopted a number of innovative approaches which included tying up with food-service aggregators and other logistics partners, launching a direct to consumer portal, tele-caller facility for direct reach to the top retail outlets and introducing a retailer and consumer-ordering app, among others.

The Company has been focused on a digital transformation journey to enhance consumer engagement, drive sales through e-commerce and build data analytics capabilities for faster and efficient decision-making across the value chain.

- **Sales Performance:** The Company's overall business has experienced gradual improvement from the mid of April to till date and is currently clocking more than 90% of the FY20 average monthly sales. Saffola Edible Oils and Foods business have continued their healthy run with a robust growth, which has been further aided by in-home cooking and consumption trend during the pandemic. Parachute coconut oil has also shown resilience and is clocking FY20 average sales. Due to lack of permission to bill in the initial part of lockdown, Value Added Hair Oils started witnessing a gradual pickup towards end of April. However, the Premium Personal Care categories (premium hair care and male grooming) continue to move slowly.
- **New Product launches:** In the month of April, the Company launched two new products in the Health and Hygiene category viz. Mediker Hand Sanitizer and Veggie Clean, a vegetable and fruit cleanser. The Company will continue its efforts towards building a sustainably growing portfolio in this category in order to meet evolving consumer needs.

#### International Operations

- International markets have also been disrupted either due to total or partial lockdowns. In Bangladesh, although the operations have been affected, the business has been fairly resilient. We continued to move ahead on our diversification journey with a foray into two new categories viz. shampoo and hand sanitizer.
  - In Vietnam, the markets have now opened up completely and business is gradually getting back to normal consequent to the various measures implemented by the Government.
  - The business in Middle East, Africa and Egypt continues to be affected due to the pandemic coupled with the weakening economic situation in these countries. Although the impact on business in these geographies has been severe, its impact on the overall business of the Company is low to moderate.
  - The business is currently clocking more than 90% of the FY20 monthly average top line.
- (v) Estimation of the future impact of CoVID-19 on its operations:

The Company is watchful about the future as it unfolds. Much will depend on the extent of the spread of COVID-19 in India and overseas and how the on-ground environment develops in conjunction with the response of respective Governments. The Company expects to witness changes both, in the business environment as well as consumer sentiments, but at the same time believes that it is well positioned to come out stronger from this crisis on the back of innovation, agile execution, prudent cost management and portfolio of trusted brands.

- (vi) Details of impact of CoVID-19 on listed entity's -
- a. capital and financial resources;
  - b. profitability;
  - c. liquidity position;
  - d. ability to service debt and other financing arrangements;
  - e. assets;
  - f. internal financial reporting and control;

As the Company continues business and operations even during the lockdown period, albeit at a relatively reduced scale, there has been no major impact on its liquidity position and hence is in a comfortable position to meet its commitments. The Company continues to drive profitable operations and enjoys a comfortable net cash surplus situation. Its ability to



service its debts and financing obligations on time remains unaffected. Moreover, in case any exigencies arise in future affecting the liquidity position, the Company would be in a comfortable position to borrow capital given that it enjoys AAA credit rating and has a favourable debt equity ratio. The Company is also implementing stringent cost control measures across the organization to conserve cash in order to address any concerns arising post the lock-down. Lastly, the Company has robust internal financial reporting process and controls which are running efficiently with the use of technology.

- (vii) Existing contracts/agreements where non-fulfilment of the obligations by any party will have significant impact on the listed entity's business;

The Company is well positioned to fulfil its obligations with respect to all the existing contracts and agreements. At present, the Company does not foresee any risk of non-fulfilment of obligations by any party which could have a significant impact on it.

This is for your information and record.

For **Marico Limited**

**Hemangi Ghag**  
**Company Secretary & Compliance Officer**