

**Transcript of the 28th Annual General Meeting of the Company held on
August 14, 2020 through Video Conference at 10.30 a.m.**

Good Morning, Ladies & Gentlemen

I welcome you all to the 28th Annual General Meeting of your Company through video conference/other audio video means. It is a privilege for me to address the shareholders as the Chairman of your Company.

As the requisite quorum is present for the Annual General Meeting, may I, as the Chairman, call the Meeting to order.

I now request all the Directors attending this AGM to introduce themselves :

Mr. Vijay Aggarwal : Good morning, I am Mr. Vijay Aggarwal, Managing Director, joining this meeting through video conference. Thank you.

Ms. Ameeta Parpia : Good morning, I am Ms. Ameeta Parpia, Independent Director & Chairperson of the Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee, joining this meeting through video conference. Thank you.

Dr. Raveendra Chittoor : Good morning, I am Dr. Raveendra Chittoor, Independent Director, joining this meeting through video conference. Thank you.

Mr. Vivek Agnihotri : Good morning, I am Mr. Vivek Agnihotri, Executive Director & CEO, Cement Division, joining this meeting through video conference. Thank you.

Mr. Atul Desai : Good morning, I am Mr. Atul Desai, Executive Director & CEO, RMC Division, joining this meeting through video conference. Thank you.

Mr. Sarat Chandak : Good morning, I am Mr. Sarat Chandak, Executive Director & CEO, HRJ Division, joining this meeting through video conference. Thank you.

Mr. Rajan Raheja has not been able to attend the meeting due to unavoidable circumstances.

Besides, we also have Mr. Manish Bhatia, Chief Financial Officer and Mrs. Aneeta Kulkarni, Company Secretary alongwith other Executives of the Company attending this Meeting.

Mr. Atul Shah, Senior Partner, G. M. Kapadia & Co., Statutory Auditors and Ms. Savita Jyoti, Secretarial Auditor are also attending this meeting through video conference.

I will now request Mrs. Kulkarni to take you through the procedural issues of the meeting.

Mrs. Kulkarni:

Good morning dear Shareholders,

The 28th Annual General Meeting of the Company is being held through Video Conference/Other Audio Visual Means pursuant to the applicable MCA and SEBI Circulars. I would like to take you through certain points to facilitate the meeting :

- The facility of participation at the AGM through VC is made available for 1000 members on first come first served basis.
- All members who have joined this meeting have been kept on mute mode to avoid any disturbance from background noise and ensure smooth and seamless conduct of the meeting. Once the question and answers session starts, the Chairman will announce the name of the shareholders one by one who have registered themselves as Speaker Shareholder.
- The Speaker shareholder will thereafter be unmuted by the host. To start speaking, the shareholders are requested to click on the video button. If the shareholder cannot join through the video mode for some reason, the shareholder can speak through the audio mode.
- While speaking, we request the shareholder to wear the earphones with mic so that he or she is clearly audible, minimise the noise in the background and ensure that no other device is connected to the wifi, no other background applications are running and there is proper lighting to have a good audio and video experience.
- If there is connectivity issue at the speaker's end, we will ask the next speaker to join. In the interest of time, we would like to request the speakers to restrict their speech to allow other speakers a chance to speak.
- Members who need technical assistance during the AGM can contact KFin at the helpline number given in the Notice of the AGM.
- As per the provisions of the Companies Act, 2013 and as also the SEBI LODR, your Company had provided the facility of e-voting to the Shareholders to enable them to cast their vote electronically. (E-Voting commenced on: Sunday, 9th August, 2020 at 9.00 a.m. and concluded on : Thursday, 13th August, 2020 at 5.00 p.m.) The e-voting has already concluded as per the timelines mentioned in the Notice of the AGM.
- Voting by Show of Hands is not permitted at the general meeting as e-voting facility has been offered to the Shareholders in line with the provisions of the Companies Act, 2013 read with the clarifications issued by the Ministry of Corporate Affairs. Also, since the resolutions have been put to vote electronically, there is no requirement under the Act to propose and second the resolutions.

- The facility for voting through electronic voting system is made available at the AGM and Members attending the Meeting who have not already cast their vote by remote e-voting shall be eligible to vote at the Meeting once the voting is ordered. A time period of 15 minutes will be given after all business is transacted for voting after which the meeting will stand closed.
- Kindly note that those of you who have already cast your votes on the e-voting platform shall not be again permitted to cast your votes. Votes once cast cannot be changed subsequently.
- M/s. Savita Jyoti & Associates, Practicing Company Secretary, has been appointed as the Scrutiniser for e-voting process.
- The combined results of e-voting will be displayed on the website of the Company and the Stock Exchanges and will also be available at the registered office of the Company.
- Pursuant to the MCA Circulars, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. The Register of Authorised Representations with 8 Representations aggregating 30.86 crore (30,86,30,246) Equity Shares representing 61.31% of the paid-up Equity Capital and the Register of Directors and Key Managerial Personnel and their Shareholding as well as other statutory registers are available for inspection through the VC facility of KFin.

Thank you.

Chairman : We will now proceed with the meeting. I trust all of you are safe and healthy. This is the first AGM of the Company being held through video conference due to the Covid-19 pandemic and the consequential social distancing norms to be followed and is also in compliance with the MCA and SEBI Circulars issued thereon.

The Company has taken requisite steps to ensure that AGM through video conference is seamless experience for all the stakeholders and all efforts feasible under the given circumstances have indeed been made by the Company to enable members to participate and vote on each item of business.

The Notice of the 28th Annual General Meeting and the Explanatory Statement pursuant to Section 102 of Companies Act, 2013 along with the copies of the audited Financial Statement for the year ended 31st March, 2020 together with the Directors' and Auditors' Reports had been sent by email to all those shareholders who have registered their e-mail address with their respective DP or the Registrar & Transfer Agent or the Company. The said documents are also uploaded on the website of the Company and BSE & NSE for your ready reference.

I now take the Notice of the 28th Annual General Meeting as read.

As the Auditors' Report on the Annual Accounts of the Company for the Financial Year ended 31st March, 2020 does not contain any qualifications, observations or comments on financial transactions or matters, which have adverse effect on the functioning of the Company, I take the same as read.

As the Secretarial Auditors' Report for the financial year ended 31st March, 2020 does not contain any qualifications, observations or comments, I take the same as read.

I will now request **Mr. Vijay Aggarwal, Managing Director** to apprise you of the operational performance and future strategy of your Company.

Mr. Aggarwal : On behalf of the Board of Directors, I extend a warm welcome to all of you at the 28th Annual General Meeting of your Company.

The year was marked with new prospects, unexpected challenges, fresh insights and important lessons for future. Prism Johnson has been able to steer itself amid turbulent economic challenges, which were spread throughout the year.

Since the last quarter of FY20, the world has been dealing with the pandemic outbreak of Covid-19. The accelerated spread of the virus has touched human life without any exceptions and this has directly affected all businesses. It is leading to an economic crisis much bigger than that of even the Global Financial Crisis of 2008. Healthcare workers and civil servants around the globe, with the combined efforts of Governments and non-Government Organizations, are working tirelessly to ensure safety and health of people. We express our sincere thanks and gratitude to all the people who are the frontline of this combat, their selfless effort is making the belief in humanity even stronger for the entire world.

We continue to monitor the situation at ground level. With the mutual trust and motivation to fight the pandemic across the organisation, we have displayed the grit and unity amongst all of us. To further accelerate the testing of Covid-19, your Company has contributed a high-speed Corona Virus testing machine worth Rs. 65 Lakhs to the Government of Madhya Pradesh.

We are looking at Covid-19 as an opportunity to emerge as a leaner and stronger organization once businesses start to normalise.

During FY20, your Company continued to work hard towards catering demand from underserved areas, expanding the consumer base and identify emerging trends, which will shape the business. To achieve this, we have a robust distribution network and continue delivering improved and high-quality products. With technological advancements, a wide retailer network and wide range of products, we aim to ensure sustainable growth of all three- business divisions - Cement, Ready Mixed Concrete and Tiles.

For FY20, your Company reported standalone net sales of ~Rs. 5,572 Crores, Earnings before interest, tax, depreciation and amortization of ~Rs. 505 Crores and Profit after tax of ~Rs. 56 Crores while consolidated net sales were ~Rs. 5,984 Crores and Earnings before

interest, tax, depreciation and amortization was ~Rs. 567 Crores. Your Company paid an interim dividend @ Rs. 1/- per share for FY 20.

After four years of reduction, standalone debt (net) has increased by ~ Rs. 90 crores to ~Rs. 1,475 crores mainly due to capex in WHRS and significant blockage of working capital due to the sudden lockdown caused by the Covid-19 pandemic.

In the month of May 2020, India Ratings affirmed its existing ratings for the Company for its long-term loans / NCDs / working capital limits, etc., confirming the resilience of the Company.

The Company has not opted for moratorium with any banks / FIs for principal or interest payments. The Company did not opt for moratorium on TDS and made all payments in time.

The Board has been evaluating various options available to enable better realisation of potential of the businesses, yield beneficial results and enhanced value creation. Accordingly, various possible options were explored for consolidation of business and simplification of group structure, by eliminating companies in an efficient manner and achieve greater economies of scale with a stronger base for future growth. It was felt that it would be beneficial to restructure the business of the Company and some of its wholly-owned subsidiaries.

In this direction, the Board of Directors had, at its meeting held on October 23, 2019, considered and approved a Composite Scheme of Arrangement and Amalgamation to demerge the retail/trading business undertakings of H. & R. Johnson (India) TBK Limited, a wholly owned subsidiary and its wholly owned subsidiaries into the Company and amalgamation of Milano Bathroom Fittings Private Limited and Silica Ceramica Private Limited, wholly owned subsidiaries with the Company. The application is pending before the NCLT, Hyderabad.

As you are aware, the Board of Directors of the Company has approved divestment of its entire holding of 51% of the paid-up equity share capital in Raheja QBE General Insurance Company Limited ('RQBE'), a material subsidiary, to QORQL Private Limited, a technology company with majority shareholding of Vijay Shekhar Sharma and remaining held by Paytm, for an aggregate consideration of Rs. 289.68 Crores, subject to receipt of approval by the shareholders of the Company and all other requisite approvals. The consideration to be received by the Company for the Divestment is subject to certain adjustments which may be carried out between the date of execution of definitive agreement and closure of the sale, and other customary terms for a sale of such nature. The divestment will result in the termination of the Company's joint-venture with Australia's QBE in the general insurance business in India. Post the divestment, RQBE will also cease to be a subsidiary of the Company. The divestment will enable the Company to consolidate its resources for its core businesses and is in the interest of the Company.

The key highlights during Q1FY20 :

- Key highlight during the challenging quarter was reduction in standalone net debt by ~Rs. 275 Crores to ~Rs. 1,200 Crores, as compared to March 2020. Consolidated net debt declined by Rs. 280 Crores to Rs. 1,548 Crores. This was on account of working capital and cash flow management
- Over the years, the Company has been proactively managing its liquidity profile. During FY20 too, the Company had created liquidity buffer to take care of its financial obligations during H1FY21. Given the current challenges, the Company continues to explore its strategy of pre-payment / refinancing so as to fulfil financial obligations till the end of FY22
- During Q1FY21, Consolidated EBITDA (excluding insurance subsidiary, RQBE) was at ~Rs. 36 Crores as compared to ~Rs. 204 Crores in Q1FY20. The lockdown at the beginning of the quarter and partial lockdown in few States in May and June impacted volumes of all the three Divisions. However, all three Divisions witnessed increasing trend in sales volume during the quarter.
- We are experiencing better demand environment with Cement volumes reaching normal levels since May 2020 while HRJ and RMC revenues showing an improving trend
- Prism Johnson is committed towards achievement and maintenance of high standards of Environment, Health and Safety issues at all plants and offices, more so during the current period. Mandatory safety including social distancing and equipment health audit checks were carried out at facilities and appropriate locations before restart of operations

Your Company continues to invest in demand generation activities, which would help in better utilization levels across all the three Divisions.

I would now turn to the performance of the three Divisions of your Company :

Cement Division

The Cement Division has 2 Modern Plants in Satna, MP (Central India) with effective capacity of 7mn ton.

The key highlights during FY 20 :

- Cement Division utilization levels were at 82%.
- ‘Champion Plus’ and ‘Duratech’, our premium products, have performed well contributing ~22% of overall cement volumes in FY20.
- Cement Division has been declared as the Winner of Special Commendation for ‘Golden Peacock Environment Management Award’ for the year 2019.

- Variable cost of Cement Division is likely to come down in the foreseeable future on account of commissioning of WHRS & solar power, fuel mix change and benign fuel cost.
- ~9% yoy volume decline due to impact of lockdown in the last quarter of FY20.
- EBITDA / ton – Rs. 889 as compared to Rs. 834.
- Power cost declined due to sourcing of power from third party at lower cost and part implementation of Solar Power. Fuel cost also came down partly due to change in fuel mix and benign Pet-coke prices.
- Freight and forwarding reduced due to reduction in lead distance and optimization of freight rates.

Key highlights for quarter ended June 2020 :

- Cement volumes declined by ~19% on yoy basis. However, combined cement & clinker volume declined by ~23% as compared to quarter ended June 2019. The sales volume in May' 20 and June' 20 were better than same period last year. Premium products volumes continue to improve and were at ~26 % of overall cement volumes
- Cement Division's EBITDA Rs./per ton improved to Rs. 1,116 as against Rs. 1,111 reported during the quarter ended June 2019. The improvement was on account of lower costs

H & R Johnson (India) Division (HRJ)

HRJ has been the pioneer of tiles set-up in 1958. Today, it offers a wide basket of products from tiles and sanitaryware. HRJ comprises of the erstwhile H. & R. Johnson (India) Limited along with its subsidiaries, joint ventures and associates which operate in the Tiles and Bath segment. The manufacturing plants of the Division and that of its joint ventures are spread across the country in order to effectively cater to the market requirements.

Key highlights of the Division for FY 20 :

- Consolidated volumes de-grew by ~5% in FY20, could have been better but for lockdown.
- The EBITDA has grown marginally to Rs. 70 Crores, in comparison to Rs. 60 Crores in FY19 and margins increased to 3.8%.
- Tiles export revenues (Consolidated) more than doubled to Rs. 119 Crores.
- Engineered Marbles & Quartz export revenues jumped by ~50% to Rs. 117 Crores.
- Penetration into rural markets.
- Bathroom segment – Channel expansion, secondary demand generations and plumbers connect program.

Key highlights for quarter ended June 2020 :

- During Q1FY21, Consolidated HRJ revenues declined by ~60% on yoy basis. Sanitaryware & faucets revenues reduced by ~43%. Net working capital has improved due to robust collections during the quarter.
- The HRJ Division reported Consolidated EBITDA loss of ~Rs. 47 Crores as compared to EBITDA profit of ~Rs. 21 Crores reported in Q1FY20.
- During July 2020, HRJ Division clocked ~ 94 % of July 2019 consolidated revenues, improved performance as compared to decline in Q1FY21
- During the quarter, Net working capital has improved due to robust collections and inventory reductions

RMC Readymix (India) Division (RMC)

RMC is one of the largest readymixed concrete manufacturers in India, with a pan-India presence and operates from 45 cities/towns across the country. RMC operates 99 concrete plants and 7 aggregate crushers in different locations across the country. The concrete plants are commercial as well as site-based plants.

There was a volume decline of ~5% in FY20 due to prolong monsoon & NGT ban in some regions and lockdown in Q4FY20.

Key highlights for quarter ended June 2020 :

- Ready Mixed Concrete revenues declined by ~80% to Rs. 73 Crores. EBITDA losses were at Rs. 50 Crores as compared to positive EBITDA Rs. 9 Crores reported during the quarter ended June 2019.
- During July 2020, RMC Division has achieved ~50% of July 2019 revenues, better as compared to decline in Q1FY21
- Labour shortage and self-distancing norms due to Covid-19 pandemic is likely to turn into an opportunity for Ready-Mixed Concrete in the medium to long term manufacturers by replacing site mix, which is labour intensive

I would like to conclude with a satisfaction that the overall performance of your company was commendable under the circumstances for FY20. Our will to fight the turbulent times helped us overcome the challenges and will continue to motivate us. With cautious strides, we will be able to provide a strong foundation for the business to reap benefits.

On behalf of the Board of Directors of your Company, I would like to express my deepest appreciation to our valued shareholders, customers, business associates, suppliers, management and employees, for their dedication and support rendered to the Company.

I now hand over to the Chairman to continue with the proceedings of the meeting.

Chairman : Before we proceed with the Question & Answer session, I now order the voting on all the resolutions of ordinary and special businesses as set out in items 1 to 6 of the Notice of the 28th Annual General Meeting and request all Members present and entitled to vote to cast their vote electronically by clicking on the voting button visible on the screen.

We have received the names of the shareholders who have registered themselves as speakers.

The names will be called by the moderator one after the other and after the shareholders have completed making their observations, Mr. Aggarwal will respond to the same.

Mr. Bharat H Shah, Mr. Praful Chavda, Mr. Srikanth Jhawar, Mr. Santosh Kumar Saraf, Mr. Abhishek J., Mr. Kamal Kishore Jhawar and Mr. Suresh Chand Jain spoke at the meeting. They expressed their views and asked several questions relating to the accounts, operations, dividend, future profitability, CSR activities and generally.

The Chairman thanked the Members for their keen interest in the Company and requested Mr. Aggarwal to respond to the questions raised. Mr. Aggarwal replied suitably to all the questions raised by Members.

Chairman : May I request Ms. Savita Jyoti, Scrutiniser appointed for the e-voting to submit her Combined Report not later than 48 hours after the conclusion of this Meeting.

There is no further business to be transacted. The shareholders will be given 15 minutes for voting after which the 28th Annual General Meeting stands closed.

Thank you.