Ref : ASK/UD//2020 July 31, 2020

The National Stock Exchange (India) Ltd., Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051.	BSE Limited, Corporate Relationship Department, P. J. Towers, Dalal Street, Fort, Mumbai – 400 023.
Code : PRSMJOHNSN	Code : 500338

Dear Sirs,

Re : Intimation under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/ 2020/84 dated May 20, 2020

We refer to our letter dated July 4, 2020 and your mail dated July 8, 2020 on the captioned subject. Please find attached the revised Update as on July 4, 2020 as required by you. We request that the Update hereunder be read alongwith with our earlier Update dated May 28, 2020 already filed with the Exchange.

Thanking you,

Yours faithfully,

for **PRISM JOHNSON LIMITED**

ANEETA S. KULKARNI
COMPANY SECRETARY

Impact of Covid-19 on the business of the Company

Volumes in all the three Divisions (Cement, HRJ and RMC) of the Company got impacted because of the lockdown.

Cement Demand was reasonably good in the Rural sector due to the support of Government and Individual House Building segment. The Cement sales volume during May'20 and June'20 was better than same period last year. During Q1FY21 overall cement sales would see a drop of ~20% as compared to Q1FY20. The recovery in May and June volumes was much better than anticipated at the beginning of the year.

The HRJ Division saw increasing trend in sales in May and June (YoY drop of ~38% in June) whereas during Q1FY21 overall sales reduced by ~65% YoY.

During Q1, the RMC Division saw a drop in revenues close to 80% (YoY), though we have seen recovery in May and June (YoY drop of ~64% in June).

Ability to maintain operations including the factories/units/office spaces functioning and closed down. Schedule, if any, for restarting the operations

The Central Government and few State Governments relaxed the lockdown partially in April 2020 to start economic activity. At the same time there has been periodic lockdown taken by several States.

With Unlock 1.0 and 2.0, mining and manufacturing operations are back in full swing in Cement Division, both the units in Satna are running almost at 100% capacity.

For HRJ Division, couple of our own manufacturing plants and most of the JVs manufacturing plants resumed operations during unlocking phase, however the overall production activities were subdued. Depending upon the local rules and regulations, certain depots and experience centers have also re-started business activities.

Majority of the RMC plants and aggregate locations remained shut during Q1 due to lock down. Due to stringent compliance, shortage of drivers'/pump operators in our plants and overall shortage of labour at construction sites, the recovery in operations is slow. Most of the metro cities are still under lock down and operations are running at very few locations.

All officers outside plant location and other offices across the Country are working from home since start of lockdown until date.

Steps taken to ensure smooth functioning of operations

Adhering to the framework and guidelines of MHA, the Company started despatches / production during the quarter. Mandatory safety including social distancing and equipment health audit checks were carried out at facilities and appropriate locations before restart of operations.

IT, GPS, Web tools and Digital support systems have been in development for some years. These are working well which enabled working from home including sales, logistics control, physical deliveries, collections, invoicing, accounting, customer support, management controls, virtual review meetings, etc.

Estimation of the future impact of Covid-19 on operations of the Company

- Ø Going forward demand improvement would depend on :
  - Lifting of complete lockdown
  - Second wave of pandemic and severe lock down, if at all
  - Monsoon, which currently is forecasted to be normal
  - Behavioral changes
- Ø Broadly we expect rural and IHB demand to normalize and pick up better than urban institutional demand
- Ø Initiatives to be taken during the year :
  - Fixed cost reduction across the Company
  - A good part of fixed cost reduction would be sustainable
  - To review inefficient and unprofitable operations
  - Scaling down capex
- Ø We are looking at Covid-19 as an opportunity to emerge as leaner and stronger organisation once businesses start to normalise.

Details of impact of CoVID-19 on :

- Ø **Capital and Financial Resources / Liquidity position / Ability to service debt and other financing arrangements**

  The Company continues to tightly manage its cash flows, keeping enough liquidity in hand and making sure that working capital limits remain majorly undrawn. There has been a continuous review of the cash flow and working capital with a clear focus on reduction of debtors and review of all items of inventory. The Company has reduced its capex plan for the current year. The company has not availed the moratorium facility as extended by the banks as per the RBI guidelines and has serviced its debt obligations as per schedule. The Company continues to explore its strategy of pre-payment / refinancing of loans well in advance. These measures would enable Company to optimise interest cost and take care of loan obligations upto March 2022.

Ø Profitability / Assets / Internal Financial reporting & control

Profitability during the current financial year will be impacted due to lock down and drop in revenue, however the Company is keeping a track on the overall economic and demand scenario and once the situation is normalised, the Company will put all its efforts to minimise the impact.

The Company is confident of recovering the carrying value of all its assets in the ordinary course of business based on the current information available. The company is continuously monitoring any material changes in future economic conditions. Given the uncertainty of the Covid-19 Pandemic, future lock downs and impact on demand and supply scenario, the final impact on Company's assets and profitability in future may differ from what is estimated now.

The Company has taken required steps to make sure that required Internal Financial Reporting and Control are in place in the changed working scenario.