

# REPORT ON CORPORATE GOVERNANCE

## Company's Philosophy on Corporate Governance

The Company's commitment to good corporate governance is based on four pillars – accountability, transparency, independence and fairness. This is achieved by maintaining a simple and transparent corporate structure, which promotes the long-term interests of stakeholders, strengthens Board and management accountability and helps build public trust in the Company.

The Company and its Board of Directors firmly believe that strong governance is integral to creating value on a sustainable basis. Good corporate governance practices have enabled the Company to have better access to external finance, lower interest rates, improved performance and compliance of laws and regulations.

Corporate governance is a system of varied rules, practices and processes which is adopted and implemented by the Company on a continuous basis that provides the foundation for the day-to-day operations of the Company. Corporate Governance encompasses every aspect of operations and management including internal controls, risk management and stakeholder services.

## Governance Codes

### a. Code of Conduct

The Board of Directors of the Company has laid down two separate Codes of Conduct - one for Directors and the other for Senior Management & Employees. These Codes are hosted on the Company's website [www.prismjohnson.in/investors/disclosures-under-SEBI-LODR-regulations/policies](http://www.prismjohnson.in/investors/disclosures-under-SEBI-LODR-regulations/policies). All Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year under review. Declaration to this effect signed by the Managing Director is annexed to this report.

### b. Insider Trading Code

In compliance with the SEBI Regulations on prohibition of insider trading, as amended from time to time, the Company has adopted the following Codes :

- i. Code of Conduct for Prohibition of Insider Trading in Securities of Prism Johnson Limited to regulate, monitor and report trading by Insiders, Designated Persons and their immediate relatives and such other persons to whom this Code is applicable.
- ii. Code for Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information. The Code is uploaded on the website of the Company [www.prismjohnson.in/investors/disclosures-under-SEBI-LODR-regulations/policies](http://www.prismjohnson.in/investors/disclosures-under-SEBI-LODR-regulations/policies).
- iii. Policy and Procedures for Inquiry in case of Leak or Suspected Leak of Unpublished Price Sensitive Information.

The Codes, *inter alia*, prohibit trading in the securities of the Company by Insiders/Designated persons and their immediate relatives while in possession of unpublished price sensitive information in relation to the Company.

## 1. Board of Directors

### Composition and Attendance

The Board has a good combination of Executive and Non-executive Directors including Independent Directors. It consists of Directors with the appropriate balance of skills, experience, independence and knowledge of the Company which enable it to discharge its responsibilities and provide effective leadership to the business. The Non-executive Directors and Independent Directors on the Board are experienced, competent and renowned persons from the fields of manufacturing, finance, economics, law, etc.

As on March 31, 2020, the total strength of the Board is eight Directors comprising four Executive Directors and four Non-executive Directors, of which three are independent. The Chairman of the Board is a Non-executive Independent Director. During the year ended March 31, 2020, eleven Board Meetings were held on May 10, 2019, July 5, 2019, July 30, 2019, September 11, 2019, September 25, 2019, October 9, 2019, October 23, 2019, November 5, 2019, November 25, 2019, January 24, 2020 and February 11, 2020.

## Attendance at Board Meetings and at the last Annual General Meeting

Name & Designation	Category of Directorship	DIN	Particulars of Attendance	
			Board Meeting	Last AGM
Mr. Shobhan M. Thakore <i>Chairman</i>	Non-executive Independent	00031788	11	Yes
Mr. Rajan B. Raheja	Non-executive Non-independent	00037480	10	No
Mr. Vijay Aggarwal <i>Managing Director</i>	Executive Non-independent	00515412	10	Yes
Mr. Vivek K. Agnihotri <i>Executive Director &amp; CEO (Cement)</i>	Executive Non-independent	02986266	8	Yes

Name & Designation	Category of Directorship	DIN	Particulars of Attendance	
			Board Meeting	Last AGM
Mr. Atul R. Desai <i>Executive Director &amp; CEO (RMC)</i>	Executive Non-independent	01918187	10	Yes
Mr. Sarat Chandak <i>Executive Director &amp; CEO (HRJ)</i>	Executive Non-independent	06406126	11	Yes
Ms. Ameeta A. Parpia	Non-executive Independent	02654277	10	Yes
Dr. Raveendra Chittoor	Non-executive Independent	02115056	4	Yes

None of the Directors on the Board :

- (i) is a member on more than ten Audit Committees/Stakeholders Relationship Committees of public listed companies and chairman of more than five such Committees across all the public listed companies in which he/she is a director.
- (ii) serves as a director in more than eight listed entities.
- (iii) serves as an independent director in more than seven listed companies.
- (iv) have any inter-se relation among themselves and/or with any employee of the Company.

None of the Executive Directors serves as an Independent Director in more than three listed companies and none of the Non-executive Directors have any material pecuniary relationship or transactions with the Company.

**Other Directorships**

The following table gives details for the financial year 2019-20 of Directorships, number of memberships of Board/Committees of other public companies :

Name & Designation	* Number of Directorship(s) held in Indian public limited companies (excluding Prism Johnson Limited)	** Committee(s) position (excluding Prism Johnson Limited)	
		Member	Chairman
Mr. Shobhan M. Thakore <i>Chairman</i>	5	5	1
Mr. Rajan B. Raheja	4	1	—
Mr. Vijay Aggarwal <i>Managing Director</i>	3	1	2
Mr. Vivek K. Agnihotri <i>Executive Director &amp; CEO (Cement)</i>	—	—	—
Mr. Atul R. Desai <i>Executive Director &amp; CEO (RMC)</i>	—	—	—
Mr. Sarat Chandak <i>Executive Director &amp; CEO (HRJ)</i>	—	—	—
Ms. Ameeta A. Parpia	4	4	2
Dr. Raveendra Chittoor	—	—	—

\* Excludes directorship in private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013.

\*\* Only Audit Committee and Stakeholders Relationship Committee positions considered.

Details of the listed entities in which other directorship is held :

Name of the Director	Name of the Company	Category
Mr. Shobhan M. Thakore	1. Alkyl Amines Chemicals Limited	Non-executive Independent
	2. Bharat Forge Limited	
	3. Sharda Cropchem Limited	
Mr. Rajan B. Raheja	1. Exide Industries Limited	Non-executive Non-independent
	2. Supreme Petrochem Limited	Non-executive Promoter
Mr. Vijay Aggarwal	1. Aptech Limited	Non-executive Independent
Ms. Ameeta A. Parpia	1. Supreme Petrochem Limited	Non-executive Independent
	2. Hathway Cable & Datacom Limited	
	3. Supreme Industries Limited	

**Core skills/expertise/competencies identified by the Board of Directors as required in the context of its business(es) for it to function effectively and those actually available with the Board and the Directors**

The Board is responsible for ensuring that it has represented on it the skills, knowledge and experience needed to effectively steer the Company forward. Building the right Board requires an understanding of Director competencies, which involves consideration of the Directors’ experience, skills, attributes and capabilities. It is important to acknowledge that not all Directors will possess each necessary skill, but the Board as a whole must possess them.

Pursuant to the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (‘SEBI LODR’), the core skills/expertise/competencies identified by the Board of Directors as required in the context of the Company’s businesses for it to function effectively and those available with the Board were broadly categorised last year. Based on the categorisation and pursuant to the SEBI LODR, the table below sets out the details of Directors who have some or most of the skills/expertise/competencies, respectively, required for the effective functioning of the Board :

**Personal details :**

Name	Shobhan Thakore	Rajan Raheja	Vijay Aggarwal	Vivek Agnihotri	Atul Desai	Sarat Chandak	Ameeta Parpia	Raveendra Chittoor
Age - years	72	67	51	60	58	49	55	53
Qualifications	B. A. (Politics), LL.B, Advocate & Solicitor	B.Com	B.Tech (IIT-Delhi), PGDBM (IIM - Ahd.)	B.A. - Economics (Hons), MBA - Marketing, University of Delhi	B.E. (Chemical), Gujarat University, MBA (Marketing) - South Gujarat University	B.Sc. (Hons), Sambalpur University, PGD - Systems Management, NIIT - Nagpur and MBA-Marketing, Pune University	B. A. LL.B, Advocate & Solicitor	MBA - IIM (Ahd.), Fellow in Management - IIM (Calcutta)
Category of Director	Independent Non-executive	Non-independent Non-executive	Non-independent Executive	Non-independent Executive	Non-independent Executive	Non-independent Executive	Independent Non-executive	Independent Non-executive

**Core skills/Expertise/Competencies :**

Corporate Governance & Expertise								
Ability to think strategically	✓	✓	✓	✓	✓	✓	✓	✓
Analyse key financial statements	✓	✓	✓	✓	✓	✓	✓	✓
Safeguard the interest of the Company	✓	✓	✓	✓	✓	✓	✓	✓
Guide on complex legal issues	✓						✓	
Knowledge and practical experience in best practices pertaining to transparency, accountability, corporate governance keeping in view the best interest of all stakeholders	✓	✓	✓	✓	✓	✓	✓	✓

Name	Shobhan Thakore	Rajan Raheja	Vijay Aggarwal	Vivek Agnihotri	Atul Desai	Sarat Chandak	Ameeta Parpia	Raveendra Chittoor
Broad range of commercial / business experience.		✓	✓	✓	✓	✓		
Technical/ Industrial Skills - Knowledge of and experience in the building material industry/cement/ ready mixed concrete/tile and bath industry/ infrastructure industry, experience in marketing products and services.		✓	✓	✓	✓	✓		
Behavioral Competencies - includes Integrity, leadership skills, high ethical standards, communication and interpersonal skills, adaptability, decision making abilities, etc.	✓	✓	✓	✓	✓	✓	✓	✓

**Board Meetings**

The Board meets at regular intervals to review, *inter alia*, the financial performance of the Company and on other matters requiring its decisions and directions. The tentative yearly calendar of the meetings is finalised before the beginning of the year. Additional meetings are held as and when necessary. The Chairperson of various Board Committees brief the Board on all the important matters discussed and decided at their respective Committee meetings, which are generally held prior to the Board meetings.

The Board of Directors have full access to any information about the Company. The agenda for the Board and its Committee meetings includes detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision and in exceptional cases, additional items of agenda are tabled at the meeting. However, in case of special and urgent business needs, the Board/Committee approval is taken by passing resolutions by circulation, as permitted by law, which is noted and confirmed at the subsequent Board/Committee meeting.

The Company has developed an in-house application for transmitting Board/Committee agenda and supporting documents. The Directors of the Company receive the agenda and supporting documents in electronic form through this application. The application meets requisite standards of security and integrity that is required for storage and transmission

of Board/Committee agenda and supporting documents in electronic form.

The Independent Directors take active part at the Board and Committee meetings by providing valuable guidance to the Management on various aspects of the business, policy matters, governance, compliance, etc., and strategic issues which aid in the decision making process of the Board.

The Board periodically reviews matters such as strategy and business plans, annual operating and capital expenditure budgets, adoption of quarterly/half-yearly/annual financial results, investors’ grievances, borrowings and investments, issue of securities, compliance certificates, minutes of meetings of the Committees of Directors of the Board and the subsidiary companies including agenda suggested in Schedule II to the SEBI LODR and to the extent applicable. A detailed operations report is also presented at quarterly Board Meetings.

The Company Secretary and the Chief Financial Officer are invited to attend all the Board Meetings.

**Independent Directors**

● **Familiarisation**

The Company has formulated a policy to familiarise the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model

of the Company, etc., through various programmes. Upon appointment, Directors receive a letter of appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments.

Presentations are regularly made to the Board Members covering, *inter alia*, business environmental scan, the business strategies, operations review, quarterly/half-yearly/annual financial results, budgets, review of internal audit reports, statutory compliances, risk management, operations of subsidiaries and joint ventures, etc. In addition, the Independent Directors are also taken through various business and functional sessions in the Board meetings to discuss strategy.

The details of familiarisation programme for Independent Directors have been disclosed on the website of the Company [www.prismjohnson.in/investors/disclosures-under-SEBI-LODR-regulations/policies](http://www.prismjohnson.in/investors/disclosures-under-SEBI-LODR-regulations/policies).

● **Meeting**

During the year under review, a meeting of the Independent Directors of the Company was held on February 10, 2020, *inter alia*, to discuss the evaluation of the performance of Non-independent Directors and the Board as a whole, evaluation of the performance of the Chairman of the Company, taking into account the views of Executive and Non-executive Directors and evaluation of the quality, quantity and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform their duties. The Directors expressed their satisfaction with the evaluation process and the performance was found to be satisfactory.

The meeting was attended by all the Independent Directors.

● **Confirmation of Independence**

Based on the declarations received from all the Independent Directors and also in the opinion of the Board, the Independent Directors fulfil the conditions specified in the SEBI LODR and the Companies Act, 2013 ('the Act') and are independent of the management.

Pursuant to a notification dated October 22, 2019 issued by the Ministry of Corporate Affairs, all directors have completed the registration with the Independent Directors Databank. Requisite disclosures have been received from the Directors in this regard.

**2. Board Committees**

The Board has constituted Committees to deal with specific areas and functions which concern the Company and require closer review. The constitution of the Committees, fixing of terms of reference, appointment of members, etc., are determined by the Board. Recommendations of these Committees are submitted to the Board for approval. These Committees meet from time to time and the minutes of their meetings are periodically placed for the review of the Board.

Apart from the Board members, the Chief Financial Officer is invited to attend the Committee Meetings. Other senior management executives and advisors/consultants are called as and when necessary, to provide additional inputs for the items being discussed by the Committee(s).

The Company Secretary acts as the Secretary to all the Committees.

The Board currently has the following Committees :

**A. Audit Committee**

The Audit Committee of the Company is constituted pursuant to the provisions of the Act and the SEBI LODR. As on March 31, 2020, the Audit Committee comprised of three Non-executive Independent Directors, viz. Ms. Ameeta A. Parpia - Chairperson, Mr. Shobhan M. Thakore and Dr. Raveendra Chittoor. All the members have the requisite qualification for appointment on the Committee and possess sound knowledge of finance, accounting practices and internal controls.

The Audit Committee has met eleven times during the year ended March 31, 2020 on May 9, 2019, May 10, 2019, July 29, 2019, July 30, 2019, October 9, 2019, October 23, 2019, November 4, 2019, November 5, 2019, November 25, 2019, February 10, 2020 and February 11, 2020. The details of attendance of the Committee Members are as follows :

Name of Member	Category	No. of Meetings
Ms. Ameeta A. Parpia	Non-executive Independent	11
Mr. Shobhan M. Thakore	Non-executive Independent	11
Dr. Raveendra Chittoor	Non-executive Independent	8

The terms of reference of the Audit Committee cover the matters specified in Section 177 of the Act to, *inter alia*, include :

- The recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
- Review and monitor the auditor's independence and performance and effectiveness of audit process.
- Examination of the financial statements and the auditors' report thereon.
- Approval or any subsequent modification of transactions of the Company with related parties.
- Evaluation of internal financial controls and risk management systems.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Monitoring the end use of funds raised through public offers and related matters.



The terms of reference and powers of the Committee are also in accordance with the requirements of the SEBI LODR and, *inter alia*, include :

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
- Approval of payment to auditors for any other services rendered by them.
- Review of the internal control systems with the management, internal auditors and auditors.
- Review with the management the annual financial statements before submission to the Board for approval, with special emphasis on accounting policies and practices, disclosure of related party transactions, qualifications in the draft audit report, if any, compliance and other legal requirements concerning financial statements.
- Review with the management, the quarterly financial statements before submission to the Board for approval.
- Review the adequacy of internal audit function, significant internal audit findings and follow-ups thereon.
- Review Management Discussion and Analysis.
- Review the functioning of the Whistle Blower mechanism.
- Review and discuss with the Management the internal financial controls and risk management systems.
- Review transactions with related parties and grant omnibus approval for transactions which are in the normal course of business and on an arm's length basis and to review and approve such transactions subject to the approval of the Board, wherever necessary.
- Approval of appointment of CFO after assessing the qualifications, experience and background, etc., of the candidate.
- Review financial statements and investment of unlisted subsidiary companies.
- Reviewing the utilisation of loans and/or advances from/ investment by the holding company in the subsidiary exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments.
- Any other terms of reference as may be included from time to time.

The Committee has, during the year ended March 31, 2020, reviewed each area as laid down in the terms of reference stipulated by the Board and the applicable regulations.

The representative of the Auditors is invited to all the Audit Committee Meetings which have been attended by them. The representatives of the Internal Auditors and the Cost Auditors are invited for the Audit Committee Meetings at which their respective reports are placed. All the Audit Committee Meetings are generally attended by Senior Management Executives of the Company.

**B. Nomination & Remuneration Committee**

As on March 31, 2020, the Nomination & Remuneration Committee ('NRC') comprises of three Non-executive members of the Board viz. Ms. Ameeta A. Parpia - Chairperson, Mr. Rajan B. Raheja and Dr. Raveendra Chittoor.

The terms of reference are as per the Act and the SEBI LODR and, *inter alia*, include the following :

- a. Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the Board their appointment and removal.
- b. Formulate and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other Employees ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully, relationship of remuneration to performance is clear and meets appropriate performance benchmarks and that remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
- c. Formulate the criteria for evaluating the performance of the Independent Directors and the Board of Directors.
- d. Formulate the criteria for determining qualifications, positive attributes and independence of a Director.
- e. Recommend to the Board all remuneration, in whatever form, payable to Senior Management.

During the year ended March 31, 2020, three meetings of the NRC were held on May 10, 2019, July 30, 2019 and November 5, 2019. The details of attendance of the Committee Members are as follows :

Name of Member	Category	No. of Meetings
Ms. Ameeta A. Parpia	Non-executive Independent	3
Mr. Rajan B. Raheja	Non-executive Non-independent	3
Dr. Raveendra Chittoor	Non-executive Independent	3

**Evaluation**

In accordance with the provisions of the Act, the SEBI LODR and the Policy framed by the Board for Performance Evaluation, the Board has carried out the annual evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees. The performance evaluation of the Independent Directors was carried out by the entire Board with regard to performance and fulfilment of the independence

criteria as specified in the regulations and their independence from the management. The performance evaluation of the Chairman, the Non-independent Directors and the Board as a whole was carried out by the Independent Directors.

The structured questionnaires as formulated by the NRC and prepared in line with the SEBI Guidance Note on Board Evaluation covering various aspects such as structure, attendance at the meetings, participation and contribution, functions, knowledge and competency, initiative, commitment, team work, discussions at the Board/Committee Meetings, understanding of the business of the Company, strategy and quality of decision making, etc. were used for the said purpose. The Directors expressed their satisfaction with the performance and the evaluation process.

**Remuneration Policy**

The purpose of the Remuneration Policy of the Company for members of the Board of Directors, Key Managerial Personnel, Senior Management and other Employees is to focus on enhancing the value, to retain and motivate Employees and Directors for achieving the objectives of the Company and to place the Company in a leadership position.

The Policy is guided by a reward framework and set of principles and objectives as more fully and particularly envisaged under Section 178 of the Act and criteria pertaining to qualifications, positive attributes, integrity and independence of Directors, etc.

**a. Criteria of making payments to Non-executive Directors**

The Non-executive Directors ('NEDs') shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board/Committee/General Body meetings and commission as under :

- (i) The NEDs are paid sitting fees for attending the Board and Audit Committee meetings as may be approved by the Board of Directors within the overall limits prescribed under the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. NEDs are currently paid sitting fees of ₹ 50,000/- for attending every meeting of the Board and ₹ 40,000/- for attending every meeting of the Audit Committee.
- (ii) Apart from this, NEDs are entitled to be paid commission not exceeding 1% of the net profits of the Company. The distribution of commission amongst the NEDs shall be approved by the NRC/Board.
- (iii) The details of sitting fees paid and commission provided for NEDs for the year ended March 31, 2020 are as under :

₹ Crores

Name of Director	Sitting Fees	Commission	Total
Mr. Rajan B. Raheja	0.05	—	0.05
Ms. Ameeta A. Parpia	0.10	0.15	0.25
Mr. Shobhan M. Thakore	0.10	0.20	0.30
Dr. Raveendra Chittoor	0.05	0.10	0.15

Notes :

1. *Sitting fees paid for Board and Audit Committee Meetings.*
2. *The Commission for the financial year ended March 31, 2020 will be paid to Independent Directors, subject to deduction of tax, after adoption of financial statements by the Members at the AGM to be held on August 14, 2020.*

**b. Executive Directors**

- The term of office and remuneration of Managing Director and Executive Director & CEOs are subject to the approval of the NRC/Board of Directors and shareholders, as may be required and the limits laid down under the Act and Schedule V thereto, from time to time.
- The remuneration for the Managing Director and Executive Director & CEOs is designed to remunerate them fairly and responsibly. The remuneration comprises of salary, perquisites and performance based incentive, wherever applicable, apart from retirement benefits such as provident fund, annuity funds, gratuity, ex-gratia, leave encashment, etc., as per rules of the Company and as may be mutually agreed to by the Managing Director/Executive Director & CEO(s) and the NRC/Board.
- While considering the appointment and remuneration of the Managing Director and Executive Director & CEOs, the NRC considers the industry benchmarks, merit and seniority of the person. The NRC also aims to motivate personnel to deliver Company's key business strategies, create a strong performance-oriented environment and reward achievement of meaningful targets over the short and long term.
- The tenure of the Managing Director and Executive Director & CEOs is for three years and can be terminated by either party by giving six months' notice in writing.
- The Company does not pay any sitting fees, severance fee and no stock option is granted to the Managing Director/Executive Director & CEOs.

Details of the remuneration paid for the year ended March 31, 2020 are as under :

₹ Crores

Name	Designation	Remuneration	Date of Appointment
Mr. Vijay Aggarwal	Managing Director	7.80	March 3, 2019
Mr. Vivek K. Agnihotri	Executive Director & CEO (Cement)	3.14	August 17, 2018
Mr. Atul R. Desai	Executive Director & CEO (RMC)	3.02	August 29, 2019
Mr. Sarat Chandak	Executive Director & CEO (HRJ)	2.79	March 3, 2019

Remuneration includes salary, allowances, perquisites, contribution to provident and annuity funds, gratuity, ex-gratia and leave encashment on actual payment, etc. : ₹ 15.64 Crores and performance incentive : ₹ 1.11 Crores.

**c. Senior Management Employees**

The Company while deciding the remuneration of the Senior Management employees takes into consideration, *inter alia*, the merit and seniority of the person, employment scenario and industry benchmarks.

The remuneration of the Senior Management employees is based on :

1. A fixed base salary - set at a level aimed at attracting and retaining executives with professional and personal competence, showing good performance towards achieving Company goals.
2. Perquisites - in the form of house rent allowance/ accommodation, reimbursement of medical expenses, insurance, conveyance, telephone, leave travel, etc., as may be mutually agreed and applicable as per Company rules.
3. Retirement benefits - contribution to provident fund, superannuation, annuity funds, gratuity, etc., as may be applicable as per Company rules.
4. Motivation/Reward - a performance appraisal is carried out annually and promotions/increments/rewards are decided based on the appraisal and recommendation of the Managing Director/concerned Executive Director & CEO, wherever applicable, as per Company rules.

**d. Details of shares of the Company held by the Directors as on March 31, 2020 are as under :**

Name	No. of shares
Mr. Rajan B. Raheja	5,14,06,327
Ms. Ameeta A. Parpia	76,000

None of the other Directors hold any shares in the Company. None of the Directors hold any convertible instruments in the Company.

**C. Stakeholders Relationship Committee**

As on March 31, 2020, the Stakeholders Relationship Committee comprises of Ms. Ameeta A. Parpia, Independent Director as the Chairperson, Mr. Vijay Aggarwal, Managing Director and Dr. Raveendra Chittoor, Independent Director, as members of the Committee. The terms of reference, *inter alia*, include :

- a. Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.
- b. Review of measures taken for effective exercise of voting rights by shareholders.
- c. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Transfer Agent.
- d. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

The Committee has met twice during the year ended March 31, 2020 on May 10, 2019, and July 30, 2019. The details of attendance of the Committee Members are as follows :

Name of Member	Category	No. of Meetings
Ms. Ameeta A. Parpia	Non-executive Independent	2
Mr. Vijay Aggarwal	Executive Non-independent	2
Dr. Raveendra Chittoor	Non-executive Independent	2

The Board has designated Ms. Aneeta S. Kulkarni, Company Secretary, as Compliance Officer. During the year ended March 31, 2020, six complaints were received from shareholders, which were resolved satisfactorily. As on March 31, 2020, there were no pending investor complaints.

**D. Securities Allotment & Transfer Committee**

The Company's securities are traded in the dematerialised form on the Stock Exchanges. The Committee is responsible, *inter alia*, for issue and allotment of securities, issue of duplicate/split/consolidated certificates, transmissions and related applications received from investors. As on March 31, 2020, the Committee comprises of Mr. Vijay Aggarwal - Chairman, Mr. Vivek K. Agnihotri - Member, Mr. Atul R. Desai - Member and Mr. Sarat Chandak - Member.



The Committee has met once during the year ended March 31, 2020 on May 10, 2019. The meeting was attended by all the Committee Members.

Officers of the Company have been authorised to review all other matters connected with the Company’s securities.

**E. Corporate Social Responsibility Committee**

The Board of Directors has constituted a Corporate Social Responsibility (‘CSR’) Committee with the following objectives :

- (i) To formulate and recommend a CSR policy to the Board and the amount of expenditure to be incurred on CSR activities;
- (ii) To monitor the implementation of the CSR policy of the Company from time to time;
- (iii) To institute a transparent monitoring mechanism for implementation of the CSR projects or programmes or activities undertaken by the Company.

During the year ended March 31, 2020, two meetings of the CSR Committee were held on May 9, 2019 and February 10, 2020. As on March 31, 2020, the composition of the CSR Committee and the details of attendance at the meetings are as under :

Name of Member	Designation	No. of meetings
Mr. Vijay Aggarwal	Chairman	2
Ms. Ameeta A. Parpia	Member & Independent Director	2
Mr. Vivek K. Agnihotri	Member	2
Mr. Atul R. Desai	Member	2
Mr. Sarat Chandak	Member	2

**F. Risk Management Committee**

Risk management is integral to the Company and is controlled through awareness, training, discipline, commitment and prudent risk management strategies. The risk management framework is designed to assess, measure and control risks, including procedures for mitigating concerns, monitoring compliance with standards and reporting results to the appropriate operations and management groups.

The Board of Directors has constituted a Risk Management Committee with the following broad objectives :

- Assess and provide oversight to the management relating to the identification and evaluation of major strategic, operational, regulatory, cyber security, information and external risks inherent in the business of the Company and the control processes with respect to such risks.
- Overseeing the risk management, compliance and control activities of the Company, including without limitation, the development and execution by management of strategies to mitigate risks.

- Overseeing the integrity of the Company’s systems of operational controls regarding legal and regulatory compliance.
- Overseeing compliance with legal and regulatory requirements, including, without limitation, with respect to the conduct of the Company’s business.
- Obtaining assurance from the Management that all known and expected risks are identified and mitigation steps are taken.

During the year ended March 31, 2020, four meetings of the Risk Management Committee were held on May 9, 2019, July 29, 2019, November 4, 2019 and February 10, 2020. The composition of the Risk Management Committee as at March 31, 2020 and the details of attendance at the meetings of the Committee is as under :

Name of Member	Designation	No. of Meetings
Mr. Vijay Aggarwal	Chairman	4
Ms. Ameeta A. Parpia	Member	4
Mr. Vivek K. Agnihotri	Member	4
Mr. Atul R. Desai	Member	4
Mr. Sarat Chandak	Member	4
Mr. Manish Bhatia	Member	4
Ms. Aneeta S. Kulkarni	Member	4

**3. Whistle Blower Policy**

The Company is committed to conducting its business in accordance with applicable laws, rules and regulations and the highest standards of business ethics, honesty, integrity and ethical conduct. Accordingly, the Board has established a vigil mechanism by adopting a ‘Whistle Blower Policy’ for stakeholders including Employees and Directors and their representatives to freely communicate their concerns about illegal or unethical practices.

The Whistle Blower Policy provides a mechanism for stakeholders including Employees and Directors and their representatives to approach the Corporate Governance Cell/Chairman of the Company/Chairperson of the Audit Committee of the Company. The Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern. The Policy is hosted on the website of the Company [www.prismjohnson.in/investors/disclosures-under-SEBI-LODR-regulations/policies](http://www.prismjohnson.in/investors/disclosures-under-SEBI-LODR-regulations/policies).

**4. Prevention of Sexual Harassment**

The Company has framed a policy on Prevention of Sexual Harassment of Women at workplace. As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and Rules made thereunder, the Company has constituted an Internal Committee to inquire into complaints of sexual harassment and recommend appropriate action.

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 for the year ended March 31, 2020 are as under :

a.	Number of complaints pending at the beginning of the financial year	Nil
b.	Number of complaints filed during the financial year	Nil
c.	Number of complaints disposed of during the financial year	Nil
d.	Number of complaints pending as on end of the financial year	Nil

### 5. Subsidiary Company

All subsidiary companies are Board managed with their Boards exercising the duties and powers to manage such companies in the best interest of their stakeholders. The Company has formulated a policy for determining 'material' subsidiaries and the same is disclosed on the website of the Company [www.prismjohnson.in/investors/disclosures-under-SEBI-LODR-regulations/policies](http://www.prismjohnson.in/investors/disclosures-under-SEBI-LODR-regulations/policies). As on March 31, 2020, Raheja QBE General Insurance Company Limited ('RQBE'), is an unlisted material subsidiary in terms of the SEBI LODR.

Ms. Ameeta A. Parpia and Mr. Shobhan M. Thakore, Independent Directors of the Company, are appointed as Independent Directors on the Board of RQBE.

The operations and performance of the subsidiary companies are reviewed on a quarterly basis as under :

- (i) The minutes of the meetings of the Board of Directors of all subsidiary companies are placed before the Board of Directors of the Company and the attention of the Directors is drawn to all significant transactions and arrangements entered into by the unlisted subsidiary companies.
- (ii) The Audit Committee of the Company reviews the financial statements, in particular, the investments made by the subsidiary companies.

### 6. Related Party Transactions

The Board has approved a policy on materiality of related party transactions and dealing with related party transactions which has been uploaded on the Company's website [www.prismjohnson.in/investors/disclosures-under-SEBI-LODR-regulations/policies](http://www.prismjohnson.in/investors/disclosures-under-SEBI-LODR-regulations/policies).

The Company's major related party transactions are generally with its subsidiaries, joint ventures and associates to further the Company's business interest.

All transactions entered into with related parties, as defined under the Act and the SEBI LODR, during the financial year were in the ordinary course of business and on an arm's length basis and do not attract the provisions of Section 188 of the Act. There were no materially significant transactions

with related parties during the year ended March 31, 2020 which were in conflict with the interests of the Company. Details of such related party transactions are given in Note 4.09 of the Standalone Financial Statements forming part of this Annual Report.

### 7. Disclosures

- 1) There are no penalties or strictures imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matters related to capital markets during the last three years.
- 2) The Board of Directors has established a vigil mechanism by adopting a Whistle Blower Policy for the Company which is available on the Company's website. No personnel had been denied access to the Audit Committee.
- 3) The Company has complied with the disclosures of corporate governance requirements specified in Regulations 17 to 27 and Clauses (b) to (i) of sub-Regulation (2) of Regulation 46 of the SEBI LODR.
- 4) (i) **Mandatory Requirements**  
The Company has complied with all the mandatory requirements of the SEBI LODR.
- (ii) **Discretionary Requirements**
  - a. Non-executive Chairman's Office : The Chairman's office is maintained by himself.
  - b. As the quarterly and half-yearly financial performance along with significant events are published in the newspapers and are also posted on the Company's website and the websites of BSE and NSE, the same are not being sent separately to the shareholders.
  - c. The annual financial statements of the Company are unmodified.
  - d. The Internal Auditors have access to the Audit Committee.
- 5) The Company has followed all relevant Accounting Standards prescribed under the Act and Rules thereunder and the guidelines issued by Securities Exchange Board of India while preparing Financial Statements.

### 8. CEO/CFO Certification

Pursuant to provisions of Regulation 17(8) of the SEBI LODR, the Managing Director and the Chief Financial Officer of the Company have certified to the Board regarding their review on the Financial Statements, Cash Flow Statements and other matters related to internal controls for the year ended March 31, 2020.

**9. General Body Meetings**

- (i) Location and time where last three Annual General Meetings were held :

Date of Meeting	Time of Meeting	Venue
July 31, 2019	10.00 a.m.	National Institute for Micro, Small and Medium Enterprises (ni-msme), Auditorium Hall, 2 <sup>nd</sup> Floor, Training Block, Yousufguda, Hyderabad - 500045, Telangana.
August 8, 2018	10.00 a.m.	
August 9, 2017	11.00 a.m.	

- (ii) Two special resolutions were passed at the Annual General Meeting held on August 9, 2017, four special resolutions were passed at the Annual General Meeting held on August 8, 2018 and six special resolutions were passed at the Annual General Meeting held on July 31, 2019.
- (iii) Two special resolutions are proposed to be passed at the ensuing Annual General Meeting with regard to :
  - issue of Non-convertible Debentures on private placement basis.
  - divestment of stake in Raheja QBE General Insurance Company Limited.
- (iv) No special resolutions were passed through postal ballot last year and no special resolutions have been proposed to be passed through postal ballot at the AGM to be held on August 14, 2020.

**10. Means of Communication**

- The quarterly/half-yearly/annual financial results of the Company are filed with BSE and NSE where the Company's securities are listed.
- The results are thereafter given by way of a press release to various news agencies/analysts and published in Economic Times (English) and Nava Telangana (Telegu) and are displayed on the Company's website [www.prismjohnson.in/investors/financials](http://www.prismjohnson.in/investors/financials).
- The Company also informs, by way of intimation to BSE and NSE, all price sensitive matters or such other matters, which in its opinion are material and of relevance to the investors.
- The quarterly/half-yearly/annual financial results, shareholding pattern, quarterly compliances and all other corporate communication are filed electronically on BSE and NSE on-line portals.
- A separate dedicated section under 'Investors' on the Company's website gives information on unclaimed dividends, financial results, annual reports, quarterly compliance reports, communications with the Stock Exchanges, investor presentations and updates and other relevant information of interest to the investors/public and as mandated by the SEBI LODR and the Act.

- The official press releases and presentations made to institutional investors/analysts, if any, are also available on the Company's website and are submitted to BSE and NSE.

**11. Management Discussion and Analysis** is a part of the Annual Report and is annexed separately.

**12. General Shareholder Information**

**A. Annual General Meeting**

- Date and Time :** August 14, 2020 at 10.30 a.m.
- Venue :** The meeting will be held through Video Conference/Other Audio Visual Means and the deemed venue of the AGM shall be the Registered Office at 305, Laxmi Niwas Apartments, Ameerpet, Hyderabad - 500 016.

**B. Financial Calendar**

- **Reporting for the Quarter ending :**
  - June 30, 2020 – Within 45 days from
  - September 30, 2020 – the close of the
  - December 31, 2020 – quarter.
- March 31, 2021 – Within 60 days from the close of the financial year.
- **Annual General Meeting for the year 2021** – Within six months from the close of the financial year.

**C. Listing on Stock Exchanges**

- (i) The Company's equity shares are listed on the following Stock Exchanges :

Name & Address of Stock Exchange	Stock Code/ Symbol
BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.	500338
National Stock Exchange of India Limited, Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051.	PRSMJOHNSN

- (ii) The listing fees for the year 2020-21 has been paid to the aforesaid Stock Exchanges.
- (iii) The Non-convertible Debentures issued on private placement basis by the Company are listed on BSE Limited.
- (iv) The Company has not issued any Global Depository Receipts or American Depository Receipts or warrants or any convertible instruments.

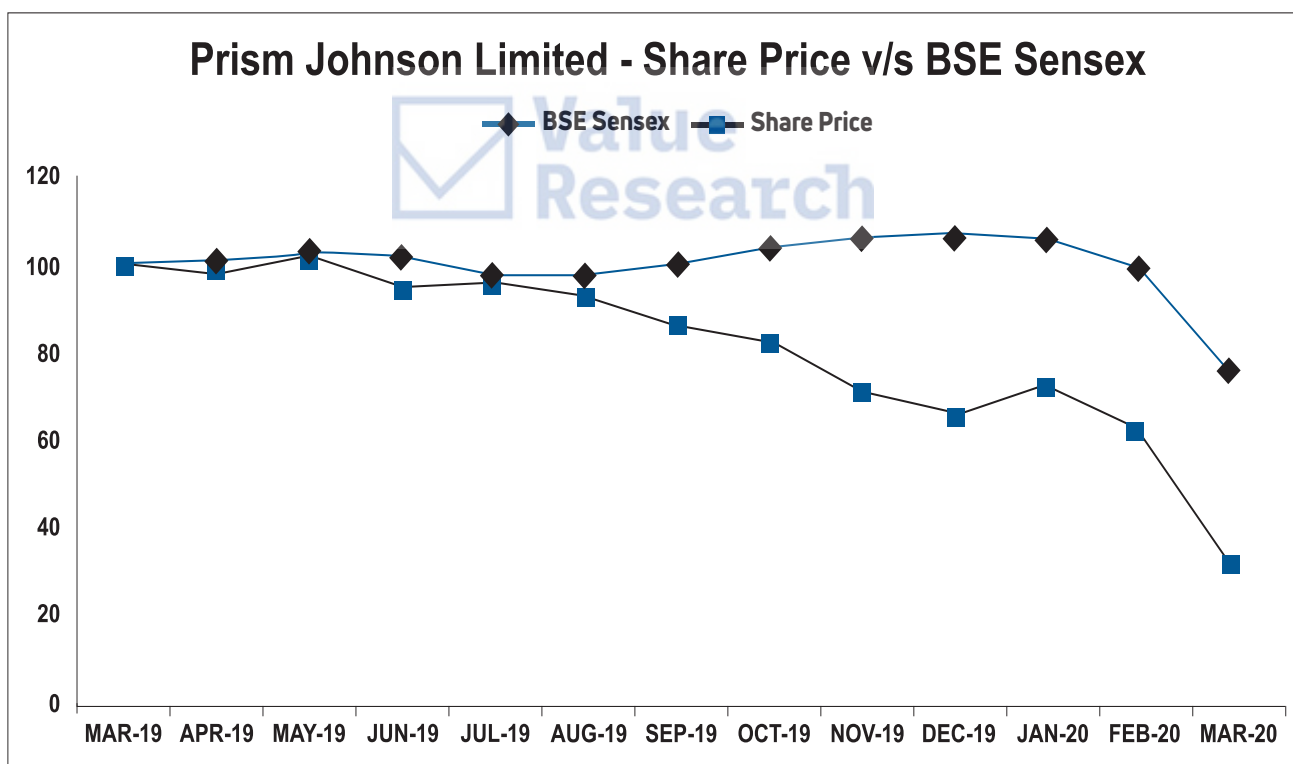
**D. Market price data for the year ended March 31, 2020**

Month	BSE Prices		NSE Prices	
	High ₹	Low ₹	High ₹	Low ₹
April 2019	101.00	93.10	101.15	93.10
May 2019	99.80	84.20	99.70	84.45
June 2019	99.40	90.35	99.35	90.30
July 2019	95.00	90.90	95.00	90.95
August 2019	91.40	79.50	91.30	79.55
September 2019	89.40	80.25	89.25	80.20
October 2019	79.95	73.60	79.95	73.50
November 2019	83.20	66.10	83.20	66.10
December 2019	68.25	59.85	68.15	59.85
January 2020	73.05	63.30	73.00	63.30
February 2020	68.10	60.40	68.20	60.40
March 2020	59.80	27.75	59.90	27.55

**Performance in comparison to BSE Sensex :**

Closing value of Company's share price v/s BSE Sensex on the last trading day of the month.

Base is considered to be 100 as on March 31, 2019.



[Source : www.bseindia.com]

**E. Registrar & Transfer Agent**

KFin Technologies Private Limited,  
 Unit : Prism Johnson Limited, Selenium Tower B,  
 Plot 31-32, Financial District, Nanakramguda,  
 Serilingampally Mandal, Hyderabad – 500 032, Telangana  
 e-mail : einward.ris@kfintech.com  
 website : www.kfintech.com  
 Tel. No. : +91-40-6716 1500/6716 1562  
 Fax No. : +91-40-2343 1551  
 Toll Free No. : 1800 345 4001

**F. Share Transfer System**

Requests for dematerialisation of shares are processed and confirmation thereof is given to the respective depositories within the statutory time limit from the date of receipt of share certificates provided the documents are complete in all respects.

In terms of requirements to amendments to Regulation 40 of the SEBI LODR w.e.f April 1, 2019, shares can be transferred only in dematerialised form.

Half-yearly Share Transfer Audit in terms of the SEBI LODR is regularly carried out by an independent practicing Company Secretary.

**Dealing with securities which have remained unclaimed**

Pursuant to Regulation 39 of the SEBI LODR, unclaimed and postal returned equity shares have been transferred to the Unclaimed Suspense Account of the Company and shall be transferred to the concerned shareholder upon making a claim to the Company’s Registrar & Transfer Agent. The voting rights on these shares shall remain frozen till the rightful owner claims the shares.

Details of the account are as under :

Particulars		No. of shareholders	No. of shares
(i)	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year.	40	10,500
(ii)	Number of shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during the year.	Nil	Nil
(iii)	Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year.	Nil	Nil
(iv)	Number of shares transferred to IEPF Authority.	18	4,800
(v)	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year.	22	5,700

**G. Transfer of Unpaid/Unclaimed Dividend Amounts/Shares to Investor Education & Protection Fund**

➤ **Transfer of unclaimed equity shares into Investor Education & Protection Fund**

Pursuant to the provisions of Section 125 of the Act read with Investor Education & Protection Fund (‘IEPF’) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (‘the Rules’) the Company shall transfer the shares in respect of which dividends have remained unclaimed for a period of seven consecutive years to the IEPF Account established by the Central Government on the specified date.

In accordance with the Rules and its amendments, 11,56,369 shares were transferred during the financial year 2019-20 to the IEPF.

➤ **Transfer of Unpaid/Unclaimed Dividend Amounts to Investor Education & Protection Fund**

Pursuant to the provisions of Sections 124 and 125 of the Act and Investor Education & Protection Fund (‘IEPF’) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (‘the Rules’) dividends not encashed/claimed within seven years from the date of declaration are to be transferred to the IEPF.

The Company has transferred all such unpaid/unclaimed dividend to the IEPF. No claim lies against the Company in respect thereof.

The Company has uploaded full details of shares as well as unclaimed dividends transferred to IEPF on the website of the Company [www.prismjohnson.in/investors/IEPF](http://www.prismjohnson.in/investors/IEPF). The Company has appointed Nodal Officers under the provisions of IEPF, the details of which are available on the website of the Company.

Both, the unclaimed dividends and the shares transferred to the IEPF can be claimed by the concerned shareholders from IEPF Authority after complying with the procedure prescribed under the IEPF Rules.

**H. Distribution of shareholding and shareholding pattern as of March 31, 2020 :**

**Distribution of Shareholding**

Category (shares)	No. of shareholders	% of Shareholders	Total Shares	% of Shares
1 - 5000	71,159	98.55	2,36,73,044	4.70
5001 - 10000	510	0.71	37,68,107	0.75
10001 - 20000	253	0.35	36,23,707	0.72
20001 - 30000	80	0.12	19,92,396	0.40
30001 - 40000	26	0.03	9,08,452	0.18
40001 - 50000	26	0.03	11,74,429	0.23



Category (shares)	No. of shareholders	% of Shareholders	Total Shares	% of Shares
50001 - 100000	55	0.07	40,40,928	0.80
100001 & Above	97	0.14	46,41,75,517	92.22
<b>Total</b>	<b>72,206</b>	<b>100</b>	<b>50,33,56,580</b>	<b>100</b>

**Shareholding Pattern**

Category	No. of Shares	% Shareholding
Promoters	37,68,81,169	74.87
FPIs/NRIs	2,02,81,797	4.02
Bodies Corporate	1,00,17,816	1.99
Financial Institutions/ Banks/Mutual Funds	3,82,88,157	7.61
Indian Public	5,42,67,173	10.79
IEPF	36,20,468	0.72
<b>Total</b>	<b>50,33,56,580</b>	<b>100</b>

**I. Dematerialisation of Shares**

Trading of the Company's shares is compulsorily in dematerialised form for all investors. As of March 31, 2020, equity shares representing 99.50% have been dematerialised with the following depositories :

Description	ISIN	Depositories
Equity shares	INE010A01011	NSDL & CDSL

**J. Commodity price risk or foreign exchange risk and hedging activities**

The Company does not have any exposure to commodity price risk. During the year 2019-20, the Company had managed the foreign exchange risk and hedged to the extent considered necessary. The Company enters into forward contracts for hedging foreign exchange exposures against exports and imports. The details of foreign currency exposure are disclosed in Note No. 4.08 of the standalone financial statements forming part of this Annual Report.

**K. Addresses**

**Plant Location**

The Company's cement manufacturing facilities are located at Satna, Madhya Pradesh. The tile manufacturing facilities are located at Pen, Maharashtra; Dewas, Madhya Pradesh; Kunigal, Karnataka and Karaikal, Puducherry. RMC (India) Division currently operates 99 Ready Mixed Concrete plants spread across 45 locations in the country and 7 aggregate crushers.

**Correspondence**

Shareholders' correspondence may be addressed to the Registrar & Transfer Agent at Hyderabad and also at einward.ris@kfintech.com. Investors can also mail their queries to the Company at investor@prismjohnson.in for redressal.

Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participants (DPs).

**L. Details of Debenture Trustee**

Axis Trustee Services Limited,  
The Ruby, 2<sup>nd</sup> Floor, SW,  
29, Senapati Bapat Marg,  
Dadar (West), Mumbai - 400 028  
e-mail : debenturetrustee@axistrustee.com  
website : www.axistrustee.com  
Tel. No. : +91-22-6230 0451  
Fax No. : +91-22-6230 0700

**M. Details of Credit Ratings**

The Company has obtained rating from ICRA Ltd. and India Ratings and Research Pvt. Ltd. for debt instruments/ financial facilities during the year ended March 31, 2020. There has been no change in the credit ratings given by them. The details of Credit Rating are available on the website at [www.prismjohnson.in/investors/disclosures-under-SEBI-LODR-regulations/credit-ratings](http://www.prismjohnson.in/investors/disclosures-under-SEBI-LODR-regulations/credit-ratings).

Rating Agency	Instrument	Rating	Outlook
ICRA Ltd.	Debt Instruments	ICRA A -	Stable
India Ratings and Research Pvt. Ltd.		IND A	
India Ratings and Research Pvt. Ltd.	Term Loans/ Fund based Working Capital	IND A	Stable
India Ratings and Research Pvt. Ltd.	Non-fund Based Limits - Working Capital / Unsecured Short Term Loans	IND A1	-

**N. Audit Fees**

The total fees for all services paid by the Company and its subsidiaries on a consolidated basis, to the Statutory Auditors for the year ended March 31, 2020 is ₹ 1.44 Crores.

**DECLARATION**

As provided under Schedule V(D) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, we confirm that the Board Members and Senior Management of the Company have confirmed compliance with the Code of Conduct for the year ended March 31, 2020.

For **PRISM JOHNSON LIMITED**

Place : Mumbai  
Date : May 28, 2020

**VIJAY AGGARWAL**  
Managing Director