



DATE : July 21 , 2020

REF. : PIL/DVN/L051/2020-21

Security Code No.: 522205	Company Code- PRAJIND
BSE LTD. PHIROZE JEEJEEBHOY TOWERS, 25TH FLOOR, DALAL STREET, MUMBAI - 400 001 Fax: 022- 22723121/3719/2037/2039/2041/2061	NATIONAL STOCK EXCHANGE OF INDIA LTD. EXCHANGE PLAZA, 5TH FLOOR, PLOT NO. C/1, G BLOCK, BANDRA-KURLA COMPLEX, BANDRA (EAST), MUMBAI - 400 051 Fax: 022 – 66418124/25/26, 2659 8237 / 38

**Sub: Note on impact of COVID-19 pandemic on the business of the Company.**

Dear Sir / Madam,

Further to our Letter No. PIL/DVN/L012/2020-21 dated 26<sup>th</sup> May, 2020, we are enclosing a detailed note on impact of COVID-19 pandemic on the business of the Company.

You are requested to kindly take note of the same.

Thanking you,

Yours faithfully,

**For PRAJ INDUSTRIES LIMITED**

**DATTATRAYA NIMBOLKAR  
CHIEF INTERNAL AUDITOR  
& COMPANY SECRETARY  
(Mobile No. 9890857411)**



<p>Impact of COVID-19 pandemic on the business;</p>	<p>The nationwide lockdown announced by Central Government from 23rd March 2020 led to temporary stoppage of operations resulting in loss of production and invoicing in the last week of March 2020. As the operations were resumed in phased manner, as per directives issued by Central and State Government, the operations during first quarter of Financial Year 2020/21, were also adversely affected.</p>
<p>Ability to maintain operations including factories/units/offices/functioning which were closed and schedule, if any, for restarting the operations.</p>	<p>With restrictions on resumption of operations, the Company made concerted efforts to obtain necessary approvals from Central and State Government and resumed the operations duly adhering to the Guidelines issued by Central/State/Local Government Authorities for Industrial Units/offices etc. The Company also took considerable efforts to safely mobilize manpower and resume operations as soon as possible. In backdrop of this situation, the Company is making all out efforts to execute the orders.</p>
<p>Steps taken to ensure smooth functioning of operations</p>	<p>The Company has taken all necessary precautionary measures relating to hygiene and social distancing in the areas of transportation of employees, workplace, canteen, thorough cleaning and disinfection of factory/office premises to secure the employees from any health hazard and to ensure safety and well-being of its employees .</p>



<p>Estimation of the future impact of COVID-19 on its operations</p>	<p>The Company has made detailed assessments of the recoverability and carrying value of its assets comprising property, plant and equipment, inventories, receivables and other current assets as at the balance sheet as on March 31, 2020 and on the basis of evaluation, the Company is of the opinion that no material adjustments are required in the standalone financial results.</p> <p>Given the criticalities and uncertainties associated with nature, condition and duration of COVID- 19, the impact assessment on the Company's financial health will be continuously made and provided for as required.</p>
<p><b>Details of impact of COVID-19 on the Company</b></p>	
<p>Capital and financial resources</p>	<p>The Company believes that the severe country wide lockdown from end March 2020 will have adverse impact on the Company's revenue and profitability in Financial Year 2020-21. To cope with this unprecedented crisis, the Company has taken appropriate measures to reduce its fixed costs and conserve cash. Based on this, the Company feels that it will have adequate financial resources to ensure smooth operations. As on date, the Company continues to enjoy its status as “Debt Free” Company.</p>
<p>Profitability</p>	<p>During the period of lockdown, the operations of the Company were disrupted. Even though the Company has resumed its operations, as per</p>

	Government guidelines, the intermittent locke downs will affect regaining normal levels of operations. This will have an impact on profitability. As the external environment is very dynamic, the Company is closely monitoring it and taking the required measures in this regard.
Liquidity position	The Company does not foresee any major challenge on liquidity front.
Ability to serve debt and other financing arrangements	Having no Debts, the Company does not foresee any challenges on this front.
Assets	As mentioned above,the Company has made detailed assessment of the recoverability and carrying value of its assets comprising property, plant and equipment, inventories, receivables and other current assets as at the balance sheet date as on 31 <sup>st</sup> March , 2020 and on the basis of evaluation, is of the opinion that no material adjustments are required in the standalone financial results.
Internal Financial Reporting and Control	There has been no impact on Internal Financial Reporting and Controls operating in the Company.
Supply chain	During first lock down announced by the Central Government on 23 <sup>rd</sup> March, 2020, Supply Chain was disrupted. However, the situation has since improved.
Demand for product/services	The Company operates in Process and Project Engineering. Considering the dynamic and uncertain nature of COVID-19 pandemic, it is difficult to accurately predict and assess demand



	for Company's products and the overall financial impact on the business of the Company for the financial year 2020-21. The Company believes that the pace of recovery would largely depend on recovery of our economy.
Existing Contracts/ Agreements where non fulfillment of the obligations by any party will have significant impact on the business.	Company feels that it is able to fulfill its legal obligations. In view of this, there is no significant impact in this regard.
Other relevant material updates about the business of the Company.	Nil

For Praj Industries Ltd

Dattatraya Nimbolkar

Chief Internal Auditor and Company Secretary

Date: 21<sup>st</sup> July 2020