



Investor Update

May 25, 2017

Prism Cement Limited today announced audited standalone financial results for the year ended March 31, 2017

Financial Overview (Audited for the Year ended March 31, 2017)

(Figures in ` Crores unless mentioned otherwise)

Particulars	Stand-alone		Consolidated	
	2016-17	2015-16	2016-17	2015-16
Net Sales (excluding excise)	5,445	5,669	5,511	5,704
Profit / (Loss) before Other income, finance cost, tax, depreciation, and exceptional items (As per IND AS)	281	243	356	341
Profit / (Loss) before tax	28	(18)	42	24
Net Profit / (Loss) after tax	18	8	14	25
Share of minority interest	-	-	16	22
Net Profit / (Loss) after tax, minority interest, and share of profit / (loss) of associates	18	8	(2)	3
EPS (`)	0.35	0.16	-0.04	0.06

Segmental Results

(Figures in ` Crores unless mentioned otherwise)

Particulars	Stand-alone		Consolidated	
	2016-17	2015-16	2016-17	2015-16
Segment Revenue				
a) Cement	2,347	2,205	2,347	2,205
b) TBK	1,863	2,220	1,882	2,228
c) RMC	1,274	1,288	1,274	1,288
d) Insurance	-	-	79	54
Segment Results				
a) Cement	262	152	262	152
b) TBK	(92)	(38)	(62)	18

c) RMC	16	28	16	28
d) Insurance	-	-	3	12
Capital employed				
a) Cement	1,611	1,750	1,611	1,750
b) TBK	624	681	1,008	1,099
c) RMC	173	176	173	176
d) Insurance	-	-	119	116
3) Unallocated	(1,452)	(1,666)	(1,916)	(2,143)
TOTAL	956	940	995	998

Performance Review and key developments

During the quarter under review, as per mandated Indian Accounting Standards (IND-AS), Cement EBITDA stood at ₹801/ton, up Rs315/ton YoY basis. On comparable basis and including operating income Cement EBITDA for the quarter was at ₹908/ton, up from ₹594/ton during the quarter ended March 31st, 2016. The above performance was on the back of volume growth of ~15%, better realizations and curtailing overall costs despite increase in fuel prices. For the quarter ended March 31, 2017, the Company sold 15.6 lac tons of cement and clinker as against 13.6 lac tons for the quarter ended March 31, 2016. All the numbers mentioned herein exclude clinker sales for third party processing, if any.

During FY17, as per IND-AS, Cement EBITDA stood at ₹588/ton as compared to ₹372/ton in FY16. As per earlier Accounting Standard IGAAP, the EBITDA stood at ₹698/ton as compared to ₹477/ton in FY16. The Division has seen improved operating performance on the back of ongoing cost rationalization measures and better realizations. The Division reduced power cost due to purchase of power under the Group Captive Arrangement as per the Electricity Rules, 2005. The Division also managed to optimize on logistic costs despite increase in fuel price during the later part of the year.

For the year as a whole, the Company sold 52.1 lac tons of cement and clinker as against 52.9 lac tons in FY16. The Cement Division's performance should be viewed in light of two major events, the heavy monsoons in the region that the Company sells cement and demonetization. While the first and fourth quarter saw volume growth the second and third quarter volumes were impacted by above events. Notably, the month of March saw the best ever volume for the Division surpassing previous highs. All the three premium / better priced brands such as 'Hitech', 'Duratech' and 'Champion Plus' are well accepted in the markets and together contribute nearly 11 percent of overall volumes as compared to 6 percent in FY16.

H & R Johnson (India) (HRJ) Division operates in the TBK (Tile Bath Kitchen) Segment. The Division's standalone sales revenues during the quarter ended March 31, 2017 were `527 Cr as compared to `599 Cr in the corresponding quarter of last year. The Division continued to scale-up its marketing activities through various initiatives like strengthening of distribution network, merchandising and also taken initiatives to optimize the costs.

During FY17 HRJ division reported standalone revenues of `1863 Cr as compared to `2220 Cr in FY16, de-growth of ~16%. On a consolidated basis revenues were at `1882 Cr as compared to `2228 Cr, de-growth of ~16%. It reported EBITDA of `7 Cr on consolidated basis (according to IND AS) as compared to `77 Cr in FY16.

The RMC Readymix (India) (RMC) Division's sales turnover decreased by 7% as compared to the corresponding Quarter of last year. Turnover increased by 3% compared to the trailing Quarter.

During FY17, the RMC Division sales turnover declined marginally by ~1% as compared to FY16. EBITDA was at `38 Cr as compared to `52 Cr in the previous year.

Industry Scenario / Future Outlook

With the Government advancing in the right direction with intent and resolve supported by interest rate cuts from RBI augurs well for the industry. The Government's continued thrust on core schemes such as 'Make in India', 'Smart Cities', 'Housing for All by 2022', 'Dedicated Freight Corridors', 'Swachh Bharat Abhiyan', 'Atal Mission for Rejuvenation and Urban Transformation' (AMRUT) and push for fast track roads and highways will bolster the construction industry leading to increased demand for cement, tiles and ready mix concrete. There would be incremental demand from Government-backed projects.

The Company sells its cement in three States – Uttar Pradesh, Madhya Pradesh and Bihar. These States have also re-aligned with Government's thrust on development as core agenda with increasing spend on infrastructure and housing in State Budgets. Most States have cleared the Real Estate Bill, which would bring in transparency and better execution. All the above initiatives would lead to better cement demand in the medium to long term.

The H & R Johnson (India) Division continues to possess robust distribution network, strong brand equity, wide-spread manufacturing locations, and a comprehensive product portfolio of tiles, baths, and kitchens. The focus is on increasing the utilization levels and better working capital management. The Division intends to further improve the product display of value added products. Implementation of GST in due course would result in benefit for organized sector including your company. Efforts are also on to increase presence in unrepresented markets.

The markets in many of the metros are expected to see a turnaround in the near term as economy picks up and construction activities resume. With the Mega Projects Vertical, RMC Division is focusing to cater the infrastructure segment, which has witnessed significant increase in order book. The Company has taken measures, which going forward would help to improve operational efficiency and productivity. The markets in tier 2 & tier 3 cities have also been showing maturity which will help industry's growth.

Overall Prism Cement as a company is well placed with cost initiatives and operating efficiencies to leverage the growing opportunities.

About Prism Cement Limited

Prism Cement Limited is one of India's leading integrated Building Materials' Company, with a wide range of products from cement, ready-mixed concrete, tiles, bath products to kitchens. The Company has three Divisions, viz. Prism Cement, H & R Johnson (India), and RMC Readymix (India). Prism Cement Limited also has a 51% stake in Raheja QBE General Insurance Company Limited, a JV with QBE Group of Australia.

The equity shares of the Company are listed on the Bombay and National Stock Exchanges.

Prism Cement

Prism Cement commenced production at its Unit I in August, 1997 and scaled up capacity with Unit II in December, 2010. It manufactures Portland Pozzolana Cement (PPC) with the brand name 'Champion' & 'Champion Plus' and premium quality grade of cement under 'HI-TECH' and 'DURATECH' brand. Prism Cement has the highest quality standards due to efficient plant operations with modern state of the art automated controls. It caters mainly to markets of Eastern UP, MP and Bihar, with an average lead distance of 406 kms for cement from its plant at Satna, MP. It has a wide marketing network with about 3,815 dealers serviced from ~165 stock points.

H & R Johnson (India)

Established in 1958, H & R Johnson (India) is the pioneer of ceramic tiles in India. For over five decades, HRJ has added various product categories to offer complete solutions to its customers. Today, HRJ enjoys the reputation of being the only entity in India to offer end-to-end solutions of Tiles, Sanitaryware, Bath Fittings, Kitchens, and Engineered Marble & Quartz. All the products are sold under 4 strong brands, viz. Johnson, Johnson Marbonite, Johnson Porselano and Johnson Endura. In ceramic / vitrified tiles, HRJ along with its Joint Ventures and subsidiaries has a capacity of over 61 million m² per annum spread across 11 manufacturing plants across the country which is one of the largest in India.

RMC Readymix (India)

RMC Readymix (India) is one of India's leading ready-mixed concrete manufacturers, set-up in 1996. RMC currently operates 87 ready-mixed concrete plants in 40 cities/towns across the Country. Further, the Division has been able to secure new positions in its existing markets which will help it to grow going forward. RMC has also ventured into the Aggregates business and operates large Quarries and Crushers. At present, RMC has 5 Quarries across the country. RMC has been at the forefront in setting high standards for plant and machinery, production and quality systems and product services in the ready-mixed concrete industry.

Investor Relations

Prism Cement Limited is committed to creating long-term sustainable shareholder value through successful implementation of its growth plans. The company's investor relations mission is to maintain an ongoing awareness of its performance among shareholders and financial community.

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Safe Harbor

Certain statements in this release concerning our future growth prospects are forward-looking statements which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The company does not undertake to update any forward-looking statement that may be made from time to time by or on behalf of the company.