

PRISM CEMENT LIMITED
CIN : L26942AP1992PLC014033

Registered Office : 305, Laxmi Nivas Apartments, Ameerpet, Hyderabad - 500 016
Phone : +91 40 23400218 ; Fax : +91 40 23402249 ; e-mail : investor@prismcement.com ; website : www.prismcement.com
Corporate Office : 'Rahejas', Main Avenue, V. P. Road, Santacruz (West), Mumbai - 400 054.

STATEMENT OF AUDITED RESULTS
For the quarter and year ended March 31, 2014

Part I

₹ Crores

Particulars	Standalone Quarter ended			Standalone Year ended		Consolidated Year ended	
	Mar. 31, 2014 Audited	Dec. 31, 2013 Unaudited	Mar. 31, 2013 Audited	Mar. 31, 2014 Audited	Mar. 31, 2013 Audited	Mar. 31, 2014 Audited	Mar. 31, 2013 Audited
Sales of products and services	1,635.33	1,236.04	1,479.37	5,344.82	5,123.67	5,458.31	5,210.94
Less : Excise Duty	116.21	93.42	108.61	400.56	381.00	465.11	438.69
Net Sales	1,519.12	1,142.62	1,370.76	4,944.26	4,742.67	4,993.20	4,772.25
Income from Joint Ventures/Subsidiaries - Dividend	0.04	-	0.04	0.04	0.04	-	-
Other Income from operations	4.80	4.87	12.17	20.56	25.76	46.52	48.32
Total Income from operations (net)	1,523.96	1,147.49	1,382.97	4,964.86	4,768.47	5,039.72	4,820.57
Expenses :							
Cost of materials consumed	345.49	306.25	321.60	1,243.30	1,213.67	1,430.39	1,369.64
Purchases of stock-in-trade	350.17	224.89	273.62	1,010.52	933.85	554.14	563.75
Stores and spares consumed	18.02	25.53	20.82	95.32	84.17	113.24	96.65
Power & fuel	209.63	200.10	231.26	808.01	745.28	951.44	888.87
Employee benefits expense	69.93	71.45	82.89	288.65	258.93	349.11	308.81
Freight outward	176.37	155.51	163.54	634.40	588.39	639.31	592.61
Changes in inventories of finished goods, work-in-progress and stock-in-trade	26.10	(34.79)	(1.13)	(30.85)	(23.83)	(11.31)	(50.26)
Depreciation and amortisation expense	45.65	44.84	42.10	176.59	159.80	200.36	179.89
Other expenses	207.44	196.36	196.77	775.06	703.04	834.15	754.64
Total Expenses	1,460.80	1,190.14	1,311.47	5,001.00	4,668.30	5,060.83	4,694.80
Profit / (Loss) from operations before Other Income, Finance cost and Exceptional Items	73.16	(42.65)	71.50	(36.14)	100.17	(21.11)	125.77
Other Income	2.72	9.19	2.02	140.44	5.53	157.34	15.67
Profit / (Loss) before Finance cost and Exceptional Items	75.88	(33.46)	73.52	104.30	105.70	136.23	141.64
Finance cost	61.90	63.29	48.94	241.60	190.31	274.62	228.03
Profit / (Loss) before Exceptional Items	13.98	(96.75)	24.58	(137.20)	(84.61)	(138.39)	(86.39)
Exceptional items :							
Exchange Gain on Redemption of Investments / Amalgamation expenses written back	1.50	0.01	-	9.37	1.62	9.37	1.66
Profit / (Loss) before Tax	15.48	(96.74)	24.58	(127.83)	(82.99)	(129.02)	(84.73)
Tax expenses	4.48	(34.40)	10.30	(46.18)	(23.81)	(44.03)	(24.21)
Net Profit / (Loss) after Tax	11.00	(62.34)	14.28	(81.65)	(59.48)	(84.99)	(60.52)
Share of Profit / (Loss) of associates							
Minority interest						(1.21)	(1.95)
Net Profit / (Loss) after Tax, Minority interest and Share of profit/(loss) of associates	11.00	(62.34)	14.28	(81.65)	(59.48)	(86.20)	(62.47)
Paid-up Equity Share Capital (₹ 10/- per share)	503.36	503.36	503.36	503.36	503.36	503.36	503.36
Reserves excluding revaluation reserves				504.70	536.35	555.46	645.26
EPS - (Basic, diluted and not annualised) (₹)	0.22	-1.27	0.29	-1.66	-1.21	-1.76	-1.27
Debt Service Coverage Ratio (refer note no 3(a))				0.63	0.71		
Interest Service Coverage Ratio (refer note no 3(b))				1.20	1.40		

Part II

Select Information for the quarter and year ended March 31, 2014

(A) Particulars of Shareholding							
Public Shareholding :							
Number of Shares	126,475,411	126,475,411	126,475,411	126,475,411	126,475,411	126,475,411	126,475,411
Percentage of shareholding	25.13	25.13	25.13	25.13	25.13	25.13	25.13
Promoters and promoter group shareholding :							
a) Pledged / encumbered :							
Number of shares	-	-	-	-	-	-	-
Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-	-	-	-
Percentage of shares (as a % of the total share capital of the Company)	-	-	-	-	-	-	-
b) Non-encumbered :							
Number of shares	376,881,169	376,881,169	376,881,169	376,881,169	376,881,169	376,881,169	376,881,169
Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Percentage of shares (as a % of the total share capital of the Company)	74.87	74.87	74.87	74.87	74.87	74.87	74.87
(B) Investor Complaints							
Pending at the beginning of the Quarter	Nil						
Received during the Quarter	2						
Disposed off during the Quarter	2						
Remaining unresolved at the end of the Quarter	Nil						

Notes

- The above statement has been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on May 27, 2014.
- Earning Per Share (EPS) has been computed without considering 1,23,51,600 equity shares of the Company held in a Trust for the benefit of the Company and dividend income, if any, received on the said shares.
- The formula used for calculation of Ratios are as under :
(a) Debt Service Coverage Ratio = Profit before Depreciation, Interest and Tax / (Interest + Principal repayment of long term loans)
(b) Interest Service Coverage Ratio = Profit before Depreciation, Interest and Tax / Interest.
- The Company has obtained all statutory clearances for the operation of its Coal Mine at Chhindwara, Madhya Pradesh and has commenced mining of coal from the month of March 2014. The mined coal is used for captive consumption at its cement plant located at Satna, Madhya Pradesh.
- Figures of the previous periods have been regrouped wherever necessary. The figures for the quarter ended 31st March are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto 31st December.

for and on behalf of the Board of Directors


VIJAY AGGARWAL
MANAGING DIRECTOR

Place: Mumbai
Date: May 27, 2014

PRISM CEMENT LIMITED

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SEGMENTWISE REVENUE, RESULTS AND CAPITAL EMPLOYED
For the quarter and year ended March 31, 2014

₹ Crores

Particulars	Standalone Quarter ended			Standalone Year ended		Consolidated Year ended	
	Mar. 31, 2014	Dec. 31, 2013	Mar. 31, 2013	Mar. 31, 2014	Mar. 31, 2013	Mar. 31, 2014	Mar. 31, 2013
	Audited	Unaudited	Audited	Audited	Audited	Audited	Audited
Segment Revenue							
a) Cement	592.82	433.77	565.15	1,947.20	1,882.20	1,947.20	1,882.20
b) TBK	624.16	429.66	529.81	1,891.58	1,775.09	1,915.67	1,781.49
c) RMC	311.18	287.76	291.85	1,143.10	1,127.50	1,143.10	1,127.50
d) Others						51.08	46.67
Total	1,528.16	1,151.19	1,386.81	4,981.88	4,784.79	5,057.05	4,837.86
Less : Inter Segment Revenue	4.20	3.70	3.84	17.02	16.32	17.33	17.29
Net Sales / Income from operations	1,523.96	1,147.49	1,382.97	4,964.86	4,768.47	5,039.72	4,820.57
Segment Results							
a) Cement	61.86	(32.08)	52.44	(23.57)	64.67	(23.57)	64.67
b) TBK	2.13	(5.24)	5.20	117.96	15.39	126.63	33.85
c) RMC	10.67	0.94	13.86	9.89	21.73	9.89	21.73
d) Others						6.06	5.23
Total	74.66	(36.38)	71.50	104.28	101.79	119.01	125.48
Less : (i) Finance cost	61.90	63.29	48.94	241.50	190.31	274.62	228.03
(ii) Other Un-allocable expenditure net of un-allocable income	(2.72)	(2.93)	(2.02)	(9.39)	(5.53)	(25.38)	(15.87)
Total Profit / (Loss) Before Tax after Minority interest	15.48	(96.74)	24.58	(127.83)	(82.99)	(130.23)	(86.68)
Capital employed							
a) Cement	1,590.91	1,524.92	1,514.74	1,590.91	1,514.74	1,590.91	1,514.74
b) TBK	838.36	886.17	845.23	838.36	845.23	1,150.41	1,128.23
c) RMC	224.86	223.31	243.77	224.86	243.77	224.86	243.77
d) Others						151.09	145.97
e) Unallocated	(1,646.07)	(1,637.34)	(1,514.03)	(1,646.07)	(1,514.03)	(2,058.45)	(1,884.09)
Total	1,008.06	997.06	1,089.71	1,008.06	1,089.71	1,058.82	1,148.62

Notes :

1 The Company has identified primary segments based on the products and does not have any secondary segments. The primary reportable segments identified are Cement, TBK (Tile, Bath & Kitchen) and RMC (Readymixed Concrete). Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities, which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "Unallocated revenue / expenses / assets / liabilities". "Others" represent insurance business which is not a reportable segment as per Accounting Standard-17.

2 Figures of the previous periods have been regrouped wherever necessary.

for and on behalf of the Board of Directors



VIJAY AGGARWAL
MANAGING DIRECTOR

Place : Mumbai
Date : May 27, 2014

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STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2014


₹ Crores

Particulars	Standalone Year ended		Consolidated Year ended	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
A EQUITY AND LIABILITIES				
1 Shareholders' Funds :				
(a) Share Capital	503.36	503.36	503.36	503.36
(b) Reserves and Surplus	504.70	586.35	555.46	645.26
Sub-total - Shareholders' Funds	1,008.06	1,089.71	1,058.82	1,148.62
2 Minority Interest			54.52	53.30
3 Non-current Liabilities :				
(a) Long-term borrowings	1,336.89	1,017.65	1,447.79	1,248.03
(b) Deferred tax liabilities (net)	45.23	91.91	56.28	102.56
(c) Other long-term liabilities	116.72	108.09	118.37	109.51
(d) Long-term provisions	35.81	36.38	49.83	41.86
Sub-total - Non-current Liabilities	1,534.65	1,254.03	1,672.27	1,501.96
4 Current Liabilities :				
(a) Short-term borrowings	239.25	306.90	360.84	410.25
(b) Trade payables	702.72	777.02	723.23	754.01
(c) Other current liabilities	660.25	615.70	736.48	687.75
(d) Short-term provisions	9.01	8.03	25.76	19.51
Sub-total - Current Liabilities	1,611.23	1,707.65	1,848.29	1,871.52
TOTAL - EQUITY AND LIABILITIES	4,153.94	4,051.39	4,633.90	4,575.40
B ASSETS				
1 Non-current Assets :				
(a) Fixed Assets	2,157.26	2,093.36	2,491.88	2,394.05
(b) Goodwill on consolidation			45.44	45.20
(c) Non-current investments	347.26	378.24	111.24	240.03
(d) Deferred tax assets (net)			11.21	9.67
(e) Long-term loans and advances	180.89	205.03	152.60	190.86
(f) Other non-current assets	57.17	61.83	78.18	73.14
Sub-total - Non-current Assets	2,742.58	2,738.46	2,890.55	2,952.95
2 Current Assets :				
(a) Current investments			114.61	106.18
(b) Inventories	462.18	467.41	574.42	566.95
(c) Trade receivables	534.42	477.86	539.92	476.32
(d) Cash and cash equivalents	52.46	37.48	110.71	98.90
(e) Short-term loans and advances	192.14	202.64	221.21	222.41
(f) Other current assets	170.16	127.54	182.48	131.69
Sub-total - Current Assets	1,411.36	1,312.93	1,743.35	1,622.45
TOTAL - ASSETS	4,153.94	4,051.39	4,633.90	4,575.40

Notes :

- 1 Non-current investments includes cost of 1,23,51,600 shares (March 31, 2013: 1,23,51,600 shares) of the Company held in a Trust for the benefit of the Company.
- 2 Figures of the previous periods have been regrouped wherever necessary.

for and on behalf of the Board of Directors


VIJAY AGGARWAL
 MANAGING DIRECTOR

Place: Mumbai

Date : May 27, 2014



Investor Update

May 27, 2014

Prism Cement Limited today announced audited financial results for the year ended March 31, 2014

Financial Overview (Audited for the Year ended March 31, 2014)

(Figures in ₹ Crores unless mentioned otherwise)

Particulars	Stand-alone		Consolidated	
	2013-14	2012-13	2013-14	2012-13
Sales	5,345	5,124	5,458	5,211
Profit / (Loss) before Other Income, finance cost, tax, depreciation, and exceptional items	140	260	179	306
Profit / (Loss) before Other Income, finance cost, tax, and exceptional items	(36)	100	(21)	126
Profit / (Loss) before tax	(128)	(83)	(129)	(85)
Net Profit / (Loss) after tax	(82)	(59)	(85)	(61)
Share of minority interest	-	-	(1)	(2)
Net Profit / (Loss) after tax, minority interest, and share of profit / (loss) of associates	(82)	(59)	(86)	(63)
EPS* (Rs.)	-1.66	-1.21	-1.76	-1.27

* EPS has been computed without considering the shares held by the Prism Trust.

Segmental Results

(Figures in ₹ Crores unless mentioned otherwise)

Particulars	Stand-alone		Consolidated	
	2013-14	2012-13	2013-14	2012-13
Segment Revenue				
a) Cement	1,947	1,882	1,947	1,882
b) TBK	1,892	1,775	1,916	1,781
c) RMC	1,143	1,128	1,143	1,128
d) Others	-	-	51	47

Segment Results				
a) Cement	(24)	65	(24)	65
b) TBK	118	15	127	34
c) RMC	10	22	10	22
d) Others	-	-	6	5
Capital employed				
a) Cement	1,591	1,515	1,591	1,515
b) TBK	838	845	1,150	1,128
c) RMC	225	244	225	244
d) Others	-	-	151	146
3) Unallocated	(1,646)	(1,514)	(2,058)	(1,884)
TOTAL	1,008	1,090	1,059	1,149

Performance Review and key developments

For the year ended March 31, 2014, Company produced 37.47 lakh tons of clinker and 47.81 lakh tons of cement. The Company despatched 2.91 lakh tons of clinker and 48.04 lakh tons of cement, aggregating to 50.95 lakh tons as against 0.46 lakh tons of clinker and 47.14 lakh tons of cement, aggregating to 47.60 lakh tons during the previous year.

Prices of cement improved during the Quarter and volumes were higher as compared to Q3, FY 14 on account of relatively better demand. These factors along with stabilization of pet coke usage in manufacturing process resulted in higher margins for the Division.

The Company has obtained all statutory clearances for the operation of its Coal Mine at Chhindwara, Madhya Pradesh and has commenced mining of coal from the month of March 2014. The mined coal is used for captive consumption at its cement plant located at Satna, Madhya Pradesh.

H & R Johnson (India) (HRJ) Division operates in the TBK (Tile Bath Kitchen) Segment. The Division's sales revenues during the Quarter were ₹ 624 Crores. The capacity utilization of the Division increased during the Quarter with successful implementation of coal gassifiers at the two plants in AP. As a result, the sales of the Division during the Quarter increased by 45% as compared to Q3, FY14. The Division rolled-out the TV advertisement featuring Ms. Katrina Kaif for Johnson Bathrooms (<http://www.youtube.com/watch?v=mp-Q1SzR40E>). Natural Gas Pipe line connectivity by GAIL for Karnataka plant has also been completed recently.

The RMC Readymix (India) (RMC) Division witnessed positive signs of recovery during the Quarter. On a QoQ basis, sales turnover increased by 7%. However, profitability of the Division during the year was under pressure due to lower capacity utilization and increase in costs, especially fuel.

Expansions

Mine development activities for the cement plant at Kurnool District, Andhra Pradesh are in progress. Project activities will be taken up at an appropriate time.

Industry Scenario / Future Outlook

With key initiatives on the cost front at Prism Cement Division implemented, the Division is on a stronger footing with a cost competitive structure. Moreover, with a stable government and consequent optimism, the demand for cement should improve in the medium term which bodes well for the Division.

The robust distribution network, strong brand equity, wide-spread manufacturing locations, and a comprehensive product portfolio of tiles, baths, and kitchens enable H & R Johnson (India) Division to enjoy a distinct competitive advantage over others in the market. Moreover, with the successful completion of recent initiatives to reduce power and fuel cost, the Division is poised for better capacity utilization.

The Ready-mixed Concrete Industry in India is over 15 years old and was growing at a healthy rate till two years back. However, due to uncertainties in the prevailing economic and political environment, volume growth for the industry in the last few quarters has been under pressure. The markets in most of the metros are expected to see a turnaround in the medium term as economy picks up. With the Mega Projects Vertical, RMC Division is focusing on infrastructure segment as well. The markets in tier 2 & tier 3 cities have also been showing maturity which will help the industry's growth.

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 74% 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 Unit II in December, 2010. It manufactures Portland Pozzolana Cement (PPC) with the brand name 'Champion' and Ordinary Portland Cement (OPC). It has recently launched premium quality grade of cement under 'HI-TECH' brand. Prism Cement has the highest quality standards due to efficient

plant operations with automated controls. It caters mainly to markets of UP, MP and Bihar, with an average lead distance of 405 kms from its plant at Satna, MP. It has a wide marketing network with about 3,700 dealers serviced from ~100 stocking 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 3 strong brands, viz. Johnson, Johnson Marbonite, and Johnson Endura. In ceramic / vitrified tiles, HRJ along with its Joint Ventures and subsidiaries has a capacity of over 54 million m² per annum spread across 9 manufacturing plants across the country which is 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 90 ready-mixed concrete plants in 37 cities/towns across the Country. Further, the Division has been able to secure new positions in its existing markets which will help it to maintain its growth. RMC has also ventured into the Aggregates business and operates large Quarries and Crushers. At present, RMC has 7 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.

For additional information, please contact:

Mr. Aditya Bob Mahendru
General Manager (Corporate Planning)
Prism Cement Limited
Tel: 91-22-6675 4142-46
Email: abmahendru@prismcement.com
Website: www.prismcement.com

Address:

"Rahejas", Main Avenue, V. P. Road
Santacruz (W), Mumbai—400 054

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.

INVESTOR PRESENTATION



PRISM CEMENT LIMITED



JOHNSON
REDEFINING LIFESTYLES, WORLDWIDE.

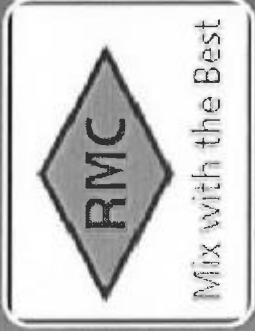


May, 2014

Integrated Building Materials' Company



Cement (Champion)
Cement (OPC)
Cement (Hi Tech)

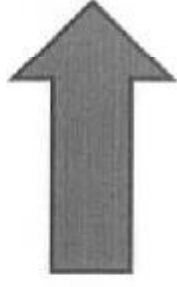
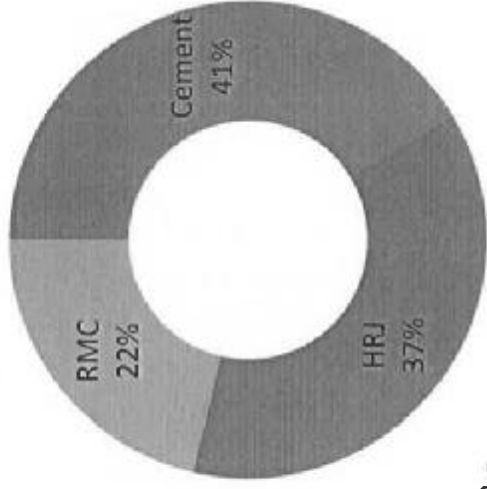


Ready-mixed Concrete
Aggregates
Manufactured Sand



Tiles (Ceramic, Vitrified, Industrial)
Sanitaryware, Faucets, and Bath Fittings
Modular Kitchens
Construction Chemicals

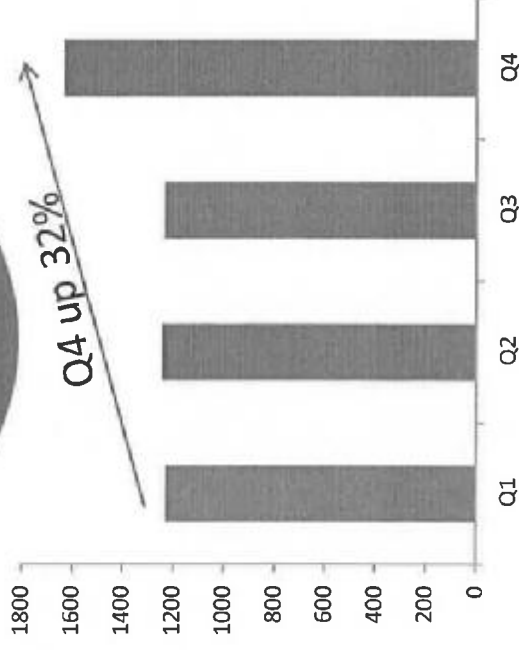
Sales FY 2014



Total Sales: ₹ 5,428 crores

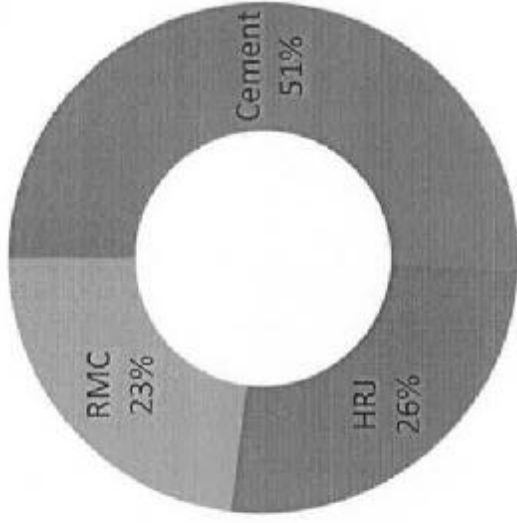
➤ Sales in Q4 increased by 32% as compared to quarterly average for first 9-months

- Q4 generally is higher due to seasonality (Corresponding Q4 FY 13 growth was 22%)
- However, this year's growth higher as key constraints on capacity utilization addressed

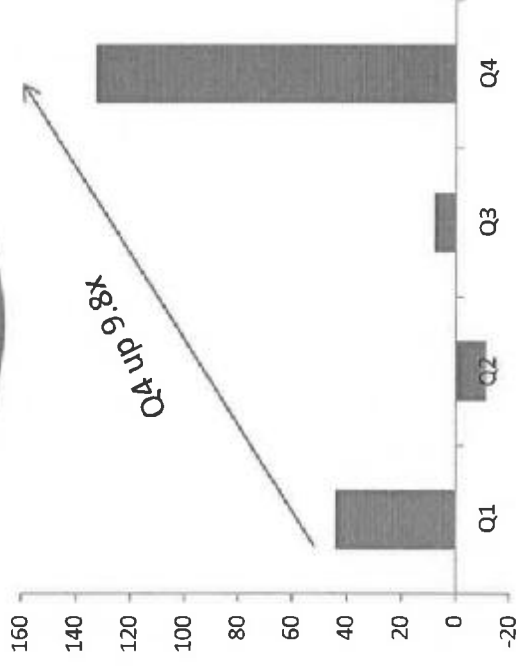


All Conso numbers excluding RQBE

EBITDA FY 2014

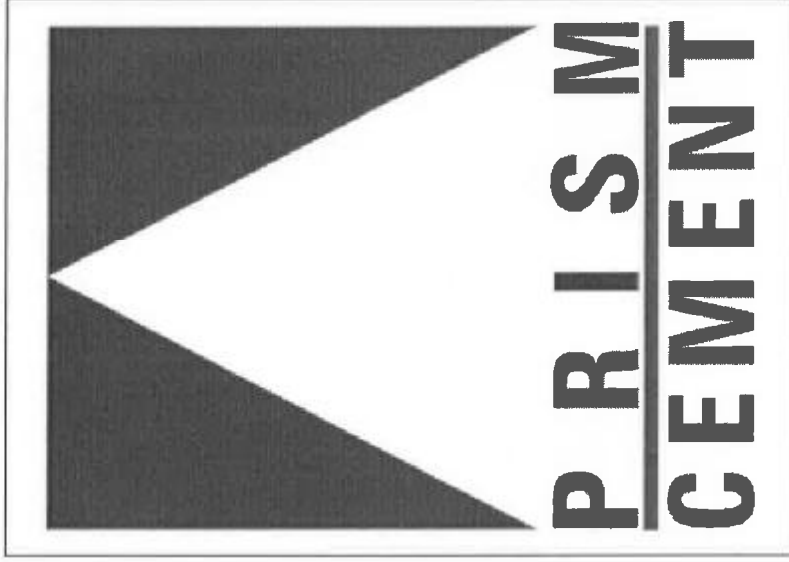


Total EBITDA: ₹ 174 crores

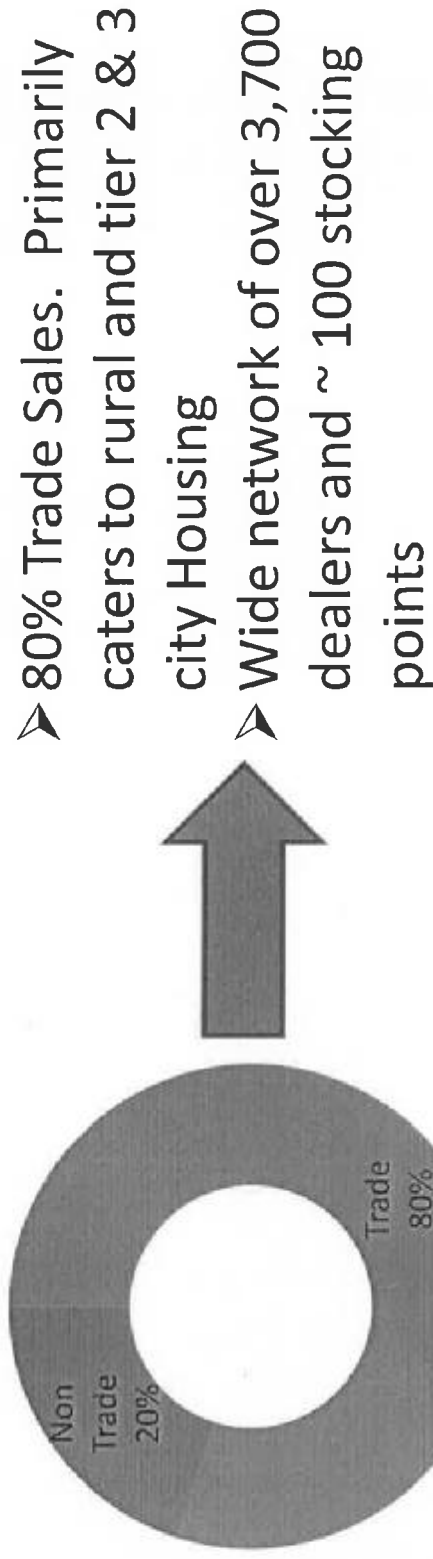


- Significantly improved profitability in Q4 with higher capacity utilization and cost saving initiatives
- Q4 EBITDA 9.8x of 9 months' quarterly average EBITDA

All Conso numbers excluding RQBE



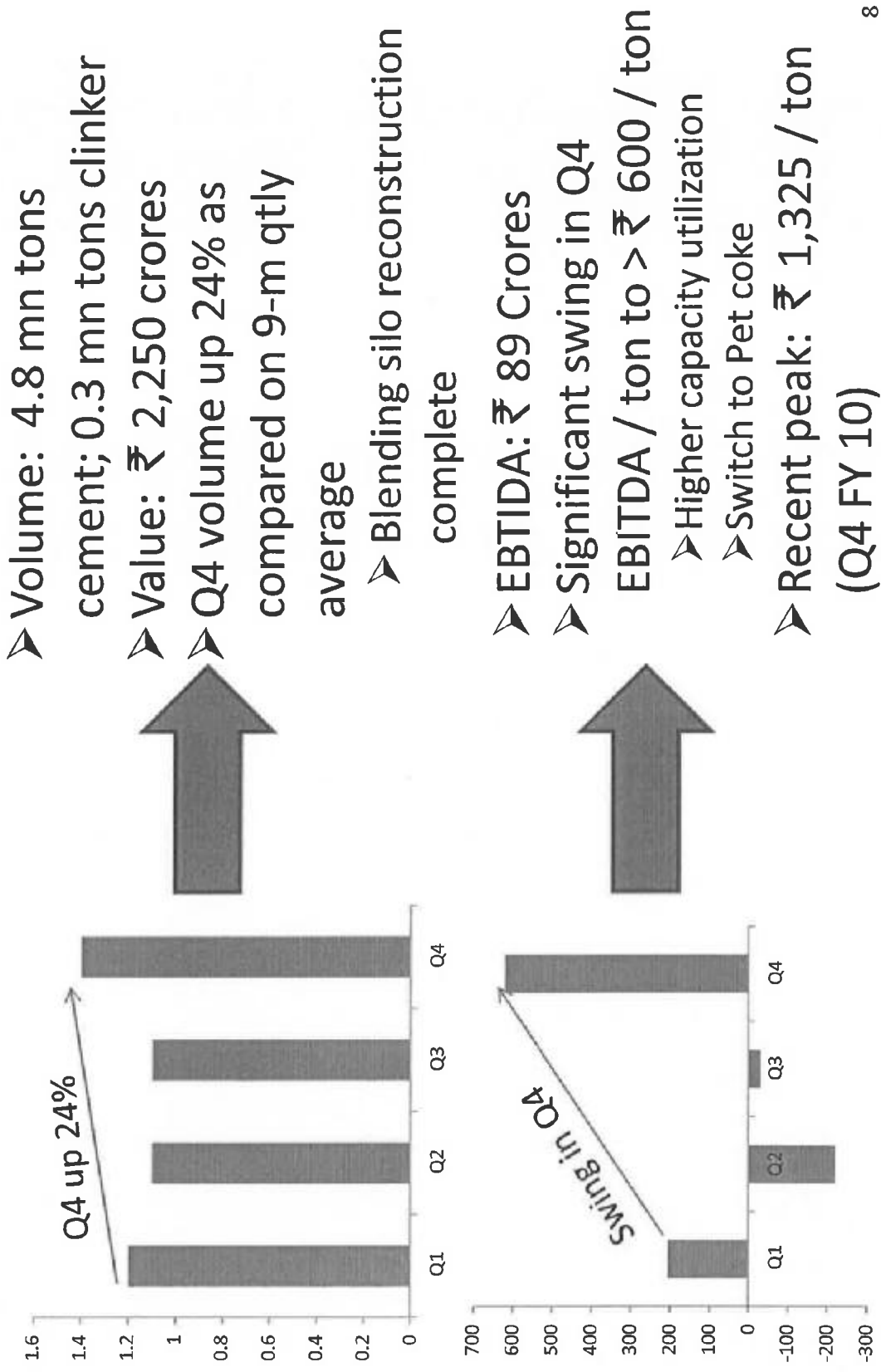
Cement - Overview



- Superior Product mix. 95% PPC (Fly-ash blended) Cement
- Recently launched premium cement Hi-Tech in Bihar



Cement – Financials (FY 14)



Cement – Cost

Manufacturing Cost

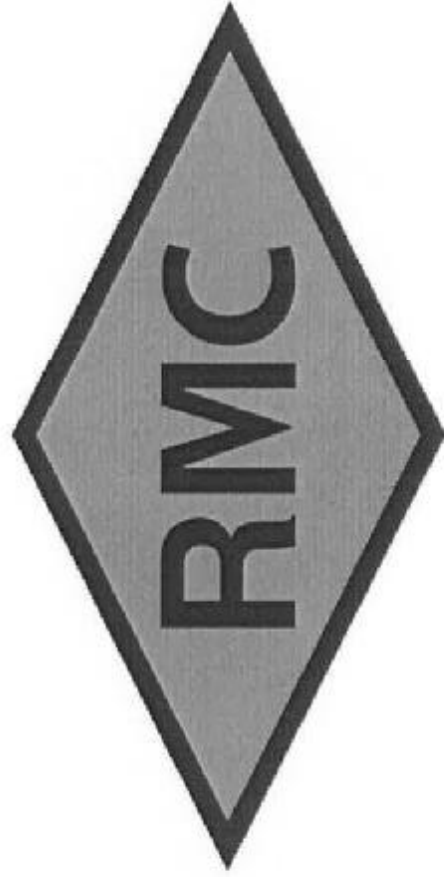
- Manufacturing cost reduced by ~ ₹ 300 / ton (Cement) on account of:
 - Lower fuel cost
 - Switched ~50% of fuel to Pet Coke
 - Ability to increase fly ash blending from 22% to 32%
 - Ability to use lower grade of limestone
 - Power consumption reduced to < 70 units / ton etc

Coal Block

- Coal Block in Chhindwara, MP
- 100% ownership
- GR estimated reserves of 15 mn tons
- Started coal production in March, 2014
- Once fully scaled-up, 0.3 mn tons / annum to be extracted

Cement - Expansion

- Green-field plant to come up in Kurnool District, Andhra Pradesh:
 - ❖ Cement Capacity: 4.8 MTPA
 - ❖ ~ 3,000 acres of land acquired
 - ❖ Large limestone reserves secured; Mine development activities in progress
 - ❖ Project activities to be taken up in due course



Mix with the Best

Ready-mixed Concrete Industry

- Started in mid-90s; Penetration increasing
- ~ 10% of total cement used for concrete in India is sold through RMC Channel
 - Metros / tier 1 (~35%) and tier 2 (~20%)
 - In developed countries: 50% - 70%
- Several benefits such as assured quality, speed, saving of site space, reduced labor, reduced wastage, safety etc
- Industry volume: > 35 million m³ per annum
- Steady-state Industry growth rate > 20% per annum due to:
 - ❖ Growth of cement consumption in India
 - ❖ Conversion from site-mix to ready-mix

RMC Readymix (India)

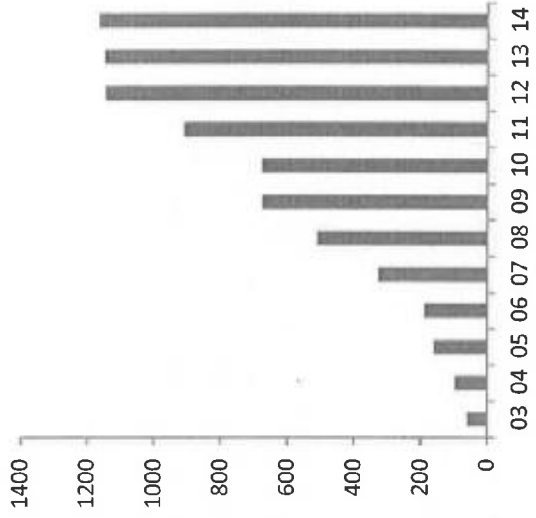
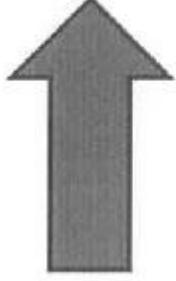
- 2nd largest player in India with national footprint

- 90 Plants in 37 cities / towns
 - 11 Plants certified by Quality Council of India (QCI); Others in progress

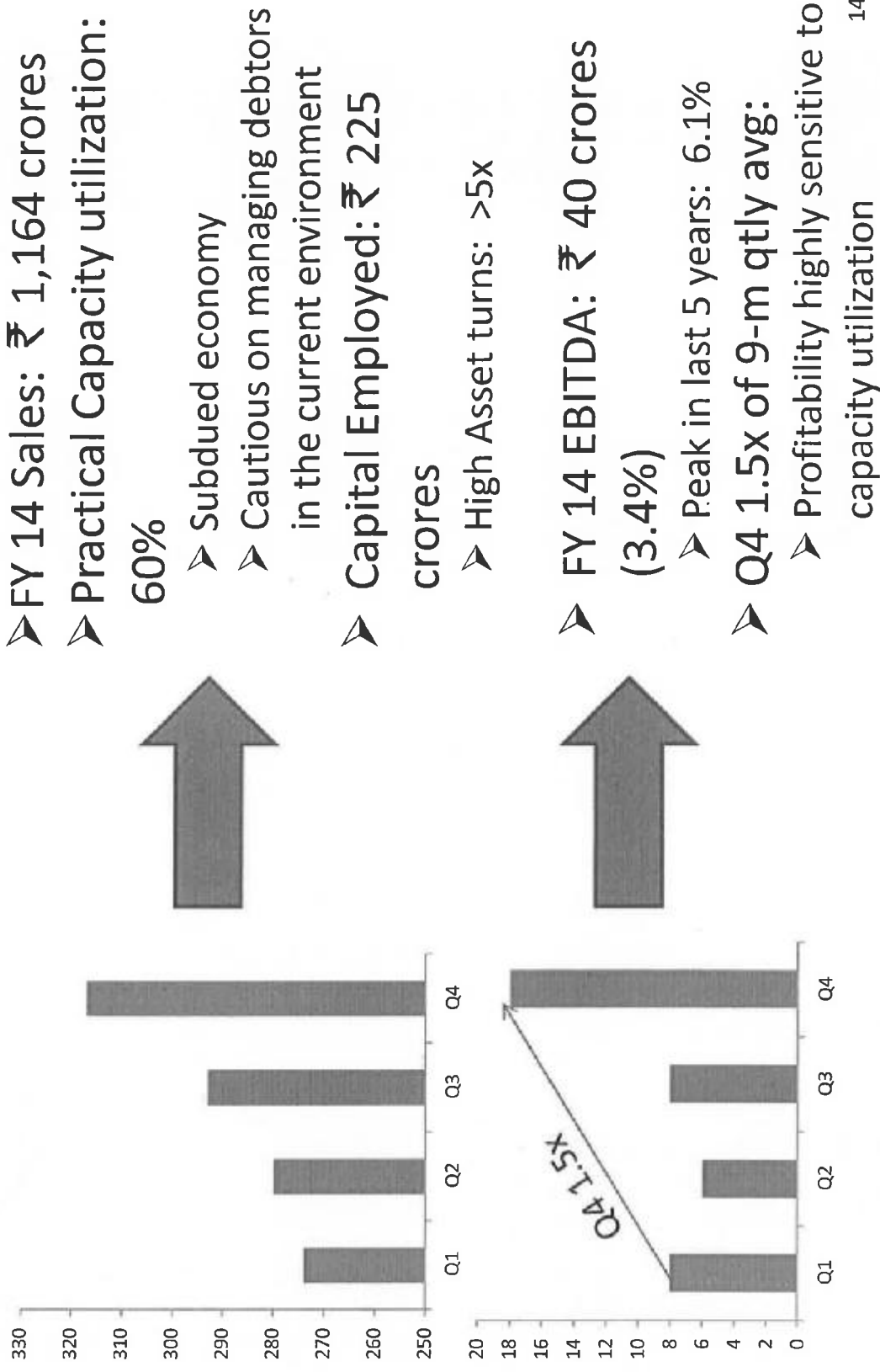
- Backward Integration: 8 Plants – Aggregates and Manufactured Sand

- '03 – '12 Sales CAGR: 39%
- Flattish for last 2 years, on account of subdued economy

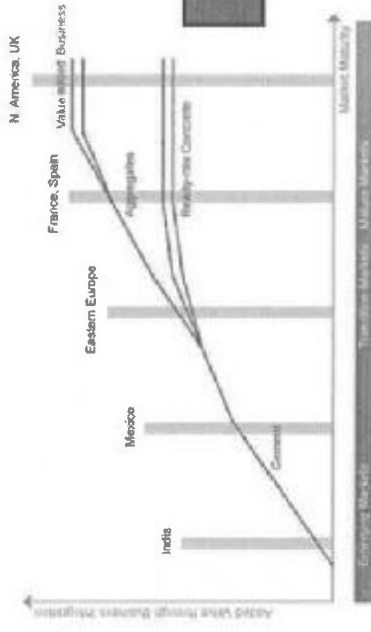
- Demand drivers: Urbanisation and Infrastructure



RMC: Financials



RMC Readymix (India)



- As markets mature, higher value in Ready-mixed concrete business and aggregates as compared to cement

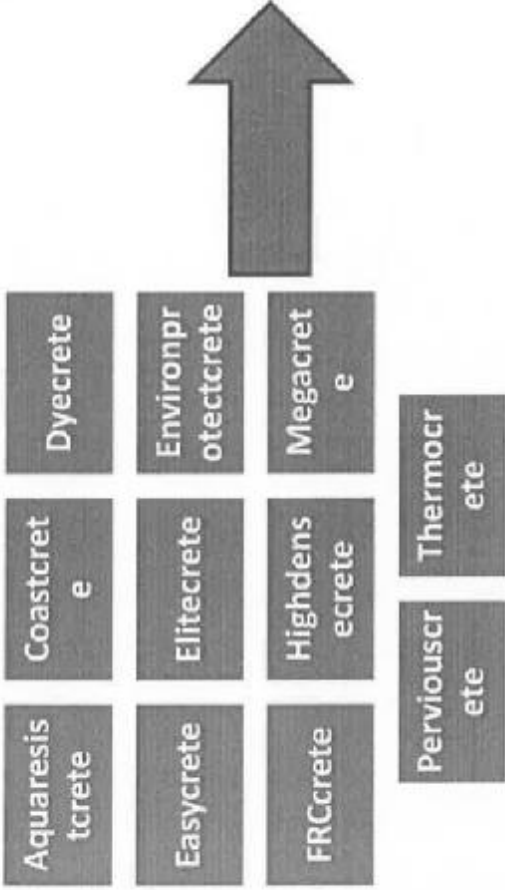
Source: Espirito Santo Investment Bank Research

Cement sold (mT)	4.8
RMC Volume sold (mm ³)	3.3
Aggregate Volume Sold (mT)	1.3

- Higher share of the Company's total revenues from value-added segments (RMC and Aggregates)
- Superior mix as compared to Global majors

RMC Growth Triggers

- Scale-up “RMC Specials” — bespoke concretes to suit individual project requirements
- Differentiator in the market
- Presently contribute 4% of RMC (India)’s sale



Economy Improvement

- With higher growth rate of economy, higher urbanization and more infrastructure would be needed. That in turn would drive RMC growth in India

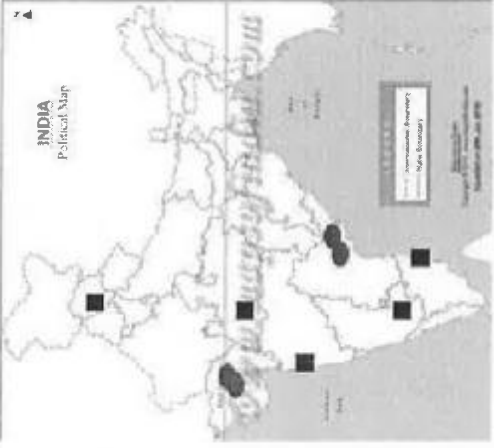
GST Implementation

- 60% of the Industry is unorganized. That sector thrives of poor tax compliance
- GST implementation would significantly benefit organized sector

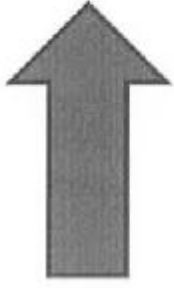
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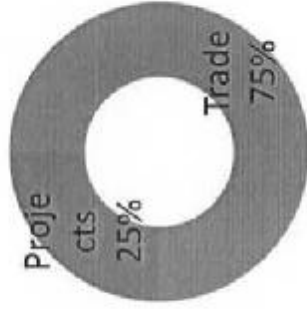
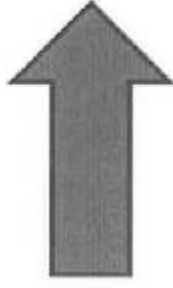
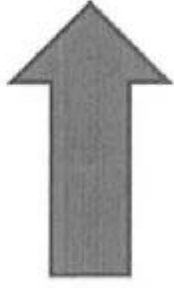
H & R Johnson (India)



- Set-up in 1958; Pioneer of Ceramic tiles in India
- Wide range: Tiles, Sanitary ware, Bath fittings, Modular Kitchens, Construction Chemicals
- 11 Manufacturing Plants (Own & JVs) with largest capacity of 54 mn m² / annum



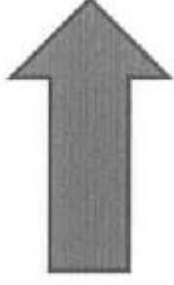
- Strong brand equity
- Large, national Trade network of ~12,000 retail points
- 75% sales from Trade channel



HRJ: Business Model



- “House of Johnson” chain of Retail Outlets
 - 25 across the country
 - Selling complete range of products
 - Contributes ~10% of Division’s total sales



- Manufacturing Joint Ventures



- Asset Light business model
- 5 Manufacturing JVs contributing to 65% of the capacity
 - Gujarat: 3
 - AP: 2



HRJ: Business Model

- Built complimentary businesses to leverage Brand and Distribution



Construction Chemicals

- 50% Stake in Ardex Endura—JV with Ardex, Germany
- Pioneer in tile fixing adhesives
- Added industrial flooring and waterproofing
- Plants in Begaluru and Vadodara; Pan India presence



Bathrooms

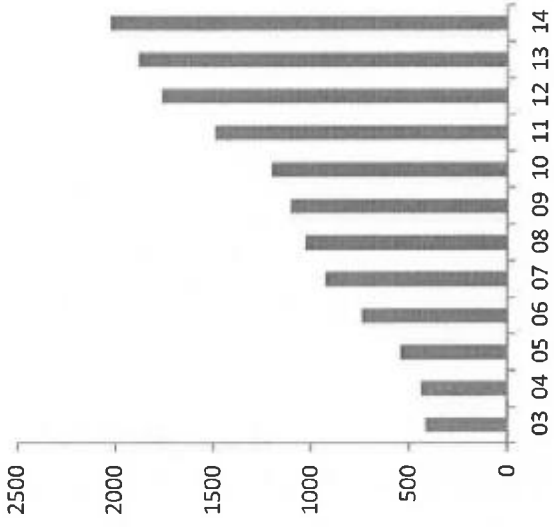
- Sanitaryware, Taps, Bath Fittings, wellness products
- 2 Manufacturing plants for Fittings—Baddi, HP & Samba, J&K
- Potential for scale-up at high rate



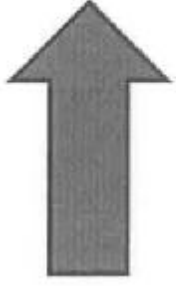
Modular Kitchens

- Sunrise industry
- High growth potential
- Offers complete range of products including installation
- Tie-up with a German company for sourcing

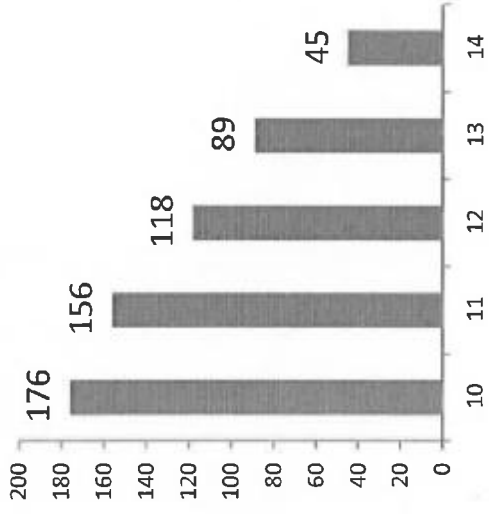
HRJ: Financial Trend



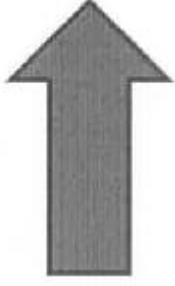
- '03 – '12 Sales CAGR: 17%
- Flattish for last 2 years
 - 70% capacity utilization
 - 40% of total capacity in AP & Karnataka



- Power and fuel unavailability
- LPG costlier than LNG by ₹ 15 / m³ to ₹ 35 / m³



- EBITDA declined:
 - FY 10: ₹ 176 crores (14.6% of sales)
 - FY 14: ₹ 45 crores (2.2% of sales)



HRJ: Key Initiatives

- Addressed Power and Fuel issues in South by:
 - Installing 3 Coal Gassifiers in 2 Plants in AP
 - Winning bids for onshore micro Gas wells in AP
 - Natural Gas pipeline connectivity completed for Karnataka plant
 - Started purchasing Traded power
- Further strengthening Brand leadership
 - Scaling-up marketing activities
 - Signed Ms. Katrina Kaif as brand ambassador and started TV advertising

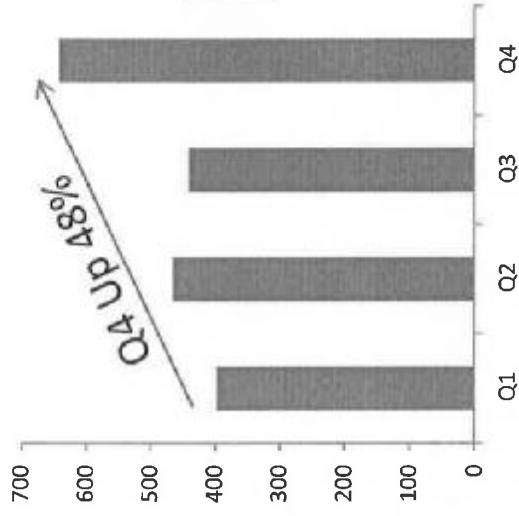


<https://www.youtube.com/watch?v=ErUmWPCwbCE>

<http://www.youtube.com/watch?v=mp-Q1SzR40E>

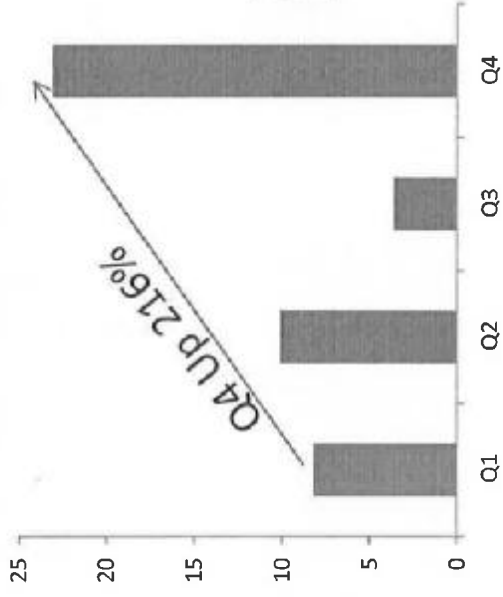
https://www.youtube.com/watch?v=61wl_dfxAPg&index=11&list=PLNZUPjSTVFV3lcCXg-HUXcjLu0VJJXizv

HRJ: Financials (FY 14)



➤ Sales: FY 2014 ₹ 2,031 crores

➤ With key initiatives mentioned earlier, Q4 Sales was 48% higher than the 9-m quarterly average



➤ EBITDA: FY 2014 ₹ 45 crores

➤ With key initiatives mentioned earlier, Q4 EBITDA was 216% higher than the 9-m quarterly average

Strategic Investments



Strategic Investments



Raheja QBE General Insurance

- 74% stake in Raheja QBE General Insurance
- JV with QBE Group of Australia
- Focus on Speciality products like Liability insurance, Marine liability and Trade Credit
- Prism's investment: ₹ 153 crores
- FY 14 financials:
 - Gross written premium: ₹ 32 crores
 - Profit before tax: ₹ 6 crores



Treasury Stock

- 1.2 crore shares of Prism Cement Limited held through Prism Trust
- 2.45% of the Company's equity capital
- M-T-M Value (May 14): ~ ₹ 70 crores

Management Profile



Management Profile



➤ Mr. Vijay Aggarwal, 45 years, Managing

Director

- ❖ B. Tech (Elec.) from IIT, Delhi and PGDM from IIM, Ahmedabad.
- ❖ Joined Hathway Investments in 1993
- ❖ Past experience includes SBI Capital Markets
- ❖ On the Board of various companies including Exide Industries, ING Vysya Life Insurance, Aptech, Asianet Satellite Communications, and Ardex Endura (India)

Management Profile



- Mr. Ganesh Kaskar, 55 years, Executive Director – HRJ
 - ❖ M. Tech (Civil) from IIT, Mumbai
 - ❖ Joined erstwhile RMC Readymix (India) Pvt. Limited in 1996
 - ❖ Past experience includes ACC and Tata Consulting Engineers



- Mr. S Ramnath, 58 years, Executive Director – Cement
 - ❖ Chartered Accountant and Cost Accountant. Also, holds a Diploma in Human Resource Management.
 - ❖ Joined the Company in 1998
 - ❖ Past experience includes Larsen & Toubro

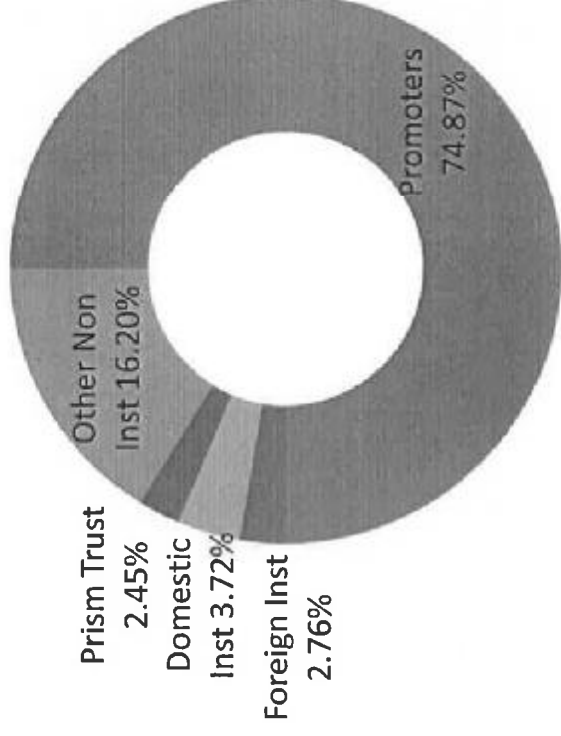


- Mr. Venugopal M Panicker, 49 years, Executive Director – RMC
 - ❖ Chartered Accountant, Company Secretary and a Member of the Institute of Company Secretaries & Administrators, UK (AICSA-UK)
 - ❖ Joined erstwhile RMC Readymix (India) Pvt. Limited in 1996
 - ❖ Past experience includes Walchandnagar, Tatas and Williamson Magor

Other Information

Other Information

- Market Cap (As on 26.05.2014): ₹ 2,716 crores
- Borrowings (As on 31.03.2014)
 - Consolidated: ₹ 2,105 crores
 - Stand-alone: ₹ 1,833 crores
- Shareholding Pattern (As on 31.03.2014)



THANK YOU

For further information, please contact:

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