

G. M. KAPADIA & CO.
(REGISTERED)

CHARTERED ACCOUNTANTS

1007, RAHEJA CHAMBERS, 213, NARIMAN POINT, MUMBAI 400 021 INDIA

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**Limited Review Report on the Unaudited Standalone Financial Results
for the quarter / nine months ended on December 31, 2013**

To the Board of Directors
Prism Cement Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results of **Prism Cement Limited** ('the Company') for the quarter / nine months ended on December 31, 2013 except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoters Group Shareholding' which have been traced from disclosures made by the management to stock exchanges and have not been reviewed by us. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.
2. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, 'Review of Interim Financial Information performed by the Independent Auditor' of the Entity issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, nothing has come to our notice that causes us to believe that the accompanying statement of unaudited standalone financial results prepared in accordance with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2003 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

For G. M. KAPADIA & CO.

Chartered Accountants

Firm Registration No. F104767W



Atul Shah

Atul Shah

Partner

Membership No: 039569

Place: Mumbai

Date : February 11, 2014

STATEMENT OF STANDALONE UNAUDITED RESULTS
For the quarter and nine months ended December 31, 2013

Part I

₹ Crores

| Particulars | Quarter ended | | | Nine months ended | | Year ended |
|---|---------------|----------------|---------------|-------------------|---------------|---------------|
| | Dec. 31, 2013 | Sept. 30, 2013 | Dec. 31, 2012 | Dec. 31, 2013 | Dec. 31, 2012 | Mar. 31, 2013 |
| | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| Sales of products and services | 1,236.04 | 1,242.94 | 1,276.26 | 3,709.49 | 3,644.30 | 5,123.67 |
| Less : Excise Duty | 93.42 | 91.53 | 101.44 | 284.35 | 272.39 | 381.00 |
| Net Sales | 1,142.62 | 1,151.41 | 1,174.82 | 3,425.14 | 3,371.91 | 4,742.67 |
| Income from Joint Ventures/Subsidiaries - Dividend | - | - | - | - | - | 0.04 |
| Other Income from operations | 4.87 | 8.03 | 4.48 | 15.76 | 13.59 | 25.76 |
| Total Income from operations (net) | 1,147.49 | 1,159.44 | 1,179.30 | 3,440.90 | 3,385.50 | 4,768.47 |
| Expenses : | | | | | | |
| Cost of materials consumed | 306.25 | 292.70 | 300.60 | 897.81 | 892.07 | 1,213.67 |
| Purchases of stock-in-trade | 224.89 | 234.82 | 224.67 | 660.35 | 660.23 | 933.85 |
| Stores and spares consumed | 25.53 | 32.20 | 20.71 | 77.30 | 63.35 | 84.17 |
| Power & fuel | 200.10 | 189.16 | 211.20 | 598.38 | 514.02 | 745.28 |
| Employee benefits expense | 71.45 | 75.47 | 66.20 | 218.72 | 196.04 | 258.93 |
| Freight outward | 155.51 | 143.62 | 164.78 | 456.03 | 424.85 | 588.39 |
| Changes in inventories of finished goods, work-in-progress and stock-in-trade | (34.79) | 28.78 | (11.82) | (56.95) | (22.70) | (23.83) |
| Depreciation and amortisation expense | 44.84 | 43.31 | 40.78 | 130.94 | 117.70 | 159.80 |
| Other expenses | 196.36 | 180.78 | 192.26 | 567.62 | 511.27 | 708.04 |
| Total Expenses | 1,190.14 | 1,220.84 | 1,209.36 | 3,550.20 | 3,356.83 | 4,668.30 |
| Profit / (Loss) from operations before Other income, Finance cost and Exceptional items | (42.65) | (61.40) | (30.06) | (109.30) | 28.67 | 100.17 |
| Other Income | 9.19 | 126.79 | 1.58 | 137.72 | 3.51 | 5.53 |
| Profit / (Loss) before Finance cost and Exceptional items | (33.46) | 65.39 | (28.48) | 28.42 | 32.18 | 105.70 |
| Finance cost | 63.29 | 61.44 | 50.05 | 179.60 | 141.37 | 190.31 |
| Profit / (Loss) before Exceptional items | (96.75) | 3.95 | (78.53) | (151.18) | (109.19) | (84.61) |
| Exceptional items : | | | | | | |
| Exchange Gain on Redemption of Investments | 0.01 | 7.86 | - | 7.87 | 1.62 | 1.62 |
| Profit / (Loss) before Tax | (96.74) | 11.81 | (78.53) | (143.31) | (107.57) | (82.99) |
| Tax expense | (34.40) | (5.75) | (24.67) | (50.66) | (33.81) | (23.51) |
| Net Profit / (Loss) after Tax | (62.34) | 17.56 | (53.86) | (92.65) | (73.76) | (59.48) |
| Paid-up Equity Share Capital (₹10/- per share) | 503.36 | 503.36 | 503.36 | 503.36 | 503.36 | 503.36 |
| Reserves excluding revaluation reserves | | | | | | 586.35 |
| EPS - (Basic, diluted and not annualised) (₹) | -1.27 | 0.36 | -1.10 | -1.89 | -1.50 | -1.21 |

Part II

Select information for the Quarter and Nine months ended December 31, 2013

| | | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|--------------|
| (A) Particulars of Shareholding | | | | | | |
| Public Shareholding : | | | | | | |
| Number of Shares | 12,64,75,411 | 12,64,75,411 | 12,64,75,411 | 12,64,75,411 | 12,64,75,411 | 12,64,75,411 |
| Percentage of shareholding | 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 | 37,68,81,169 | 37,68,81,169 | 37,68,81,169 | 37,68,81,169 | 37,68,81,169 | 37,68,81,169 |
| 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 |
| 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 |
| (B) Investor Complaints | | | | | | |
| Pending at the beginning of the Quarter | Nil | | | | | |
| Received during the Quarter | 1 | | | | | |
| Disposed off during the Quarter | 1 | | | | | |
| 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 its meeting held on February 11, 2014. The Statutory Auditors have carried out the limited review of the results for the quarter and nine months ended December 31, 2013.
- 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.
- During the current quarter, expenditure of ₹ 14.98 crores (corresponding quarter of the previous year ₹ 8.04 crores) has been incurred on account of annual shutdown of the Company's cement unit. Annual shutdown expenditure for the nine months ended December 31, 2013 is ₹ 33.68 crores (corresponding nine months of previous year : ₹ 27.71 crores)
- The Company's HRJ Division operates part of its business through manufacturing and trading Subsidiaries / Joint Ventures. Dividend income received from such Subsidiaries / Joint Ventures are taken as Operating Income. Dividend received from other Subsidiaries / Joint Ventures is shown as Other Income. During the quarter and nine months ended December 31, 2013, dividend income of ₹ 6.26 crores and ₹ 131.05 crores (corresponding quarter and nine months of previous year: Nil) respectively was received from Lifestyle Investments Pvt. Limited, an erstwhile wholly owned subsidiary, which has been shown under Other Income.
- 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 : February 11, 2014

PRISM CEMENT LIMITED

Regd Office : 305, Laxmi Nivas Apartments, Ameerpet, Hyderabad - 500 016
Corp Office : 'Rahejas', Main Avenue, V.P. Road, Santacruz (W), Mumbai - 400 054

STANDALONE SEGMENTWISE REVENUE, RESULTS AND CAPITAL EMPLOYED
For the quarter and nine months ended December 31, 2013

₹ Crores

| Particulars | Quarter ended | | | Nine months ended | | Year ended |
|---|----------------------------|-----------------------------|----------------------------|----------------------------|----------------------------|--------------------------|
| | Dec. 31, 2013 Unaudited | Sept. 30, 2013 Unaudited | Dec. 31, 2012 Unaudited | Dec. 31, 2013 Unaudited | Dec. 31, 2012 Unaudited | Mar. 31, 2013 Audited |
| Segment Revenue | | | | | | |
| a) Cement | 433.77 | 437.65 | 488.13 | 1,354.38 | 1,317.05 | 1,882.20 |
| b) TBK | 429.66 | 451.96 | 428.07 | 1,267.42 | 1,245.28 | 1,775.09 |
| c) RMC | 287.76 | 274.81 | 266.84 | 831.92 | 835.65 | 1,127.50 |
| Total | 1,151.19 | 1,164.42 | 1,183.04 | 3,453.72 | 3,397.98 | 4,784.79 |
| Less : Inter Segment Revenue | 3.70 | 4.98 | 3.74 | 12.82 | 12.48 | 16.32 |
| Net Sales / Income from operations | 1,147.49 | 1,159.44 | 1,179.30 | 3,440.90 | 3,385.50 | 4,768.47 |
| Segment Results | | | | | | |
| a) Cement | (32.08) | (53.55) | (32.15) | (85.43) | 12.23 | 64.67 |
| b) TBK | (5.24) | 127.04 | 0.58 | 115.83 | 10.19 | 15.39 |
| c) RMC | 0.94 | (2.24) | 1.51 | (0.78) | 7.87 | 21.73 |
| Total | (36.38) | 71.25 | (30.06) | 29.62 | 30.29 | 101.79 |
| Less : (i) Finance cost | 63.29 | 61.44 | 50.05 | 179.60 | 141.37 | 190.31 |
| (ii) Other Un-allocable expenditure net of unallocable Income | (2.93) | (2.00) | (1.58) | (6.67) | (3.51) | (5.53) |
| Total Profit / (Loss) Before Tax | (96.74) | 11.81 | (78.53) | (143.31) | (107.57) | (82.99) |
| Capital employed | | | | | | |
| a) Cement | 1,524.92 | 1,497.48 | 1,491.86 | 1,524.92 | 1,491.86 | 1,514.74 |
| b) TBK | 876.17 | 851.31 | 806.23 | 876.17 | 806.23 | 802.20 |
| c) RMC | 223.31 | 234.29 | 234.28 | 223.31 | 234.28 | 243.77 |
| d) Unallocated | (1,627.34) | (1,523.68) | (1,456.94) | (1,627.34) | (1,456.94) | (1,471.00) |
| Total | 997.06 | 1,059.40 | 1,075.43 | 997.06 | 1,075.43 | 1,089.71 |

Notes :

- 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".
- 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: February 11, 2014





Investor Update

February 11, 2014

Prism Cement Limited today announced Un-audited standalone financial results for the Quarter ended December 31, 2013

Financial Overview (Un-audited for the Quarter ended December 31, 2013)

(Figures in ₹ Crores unless mentioned otherwise)

| Particulars | Q3 '13-14 | Q2 '13-14 | Q3 '12-13 |
|---|-----------|-----------|-----------|
| Sales | 1,236 | 1,243 | 1,276 |
| Profit / (Loss) before Other income, finance cost, tax, depreciation, and exceptional items | 2 | (18) | 11 |
| Profit / (Loss) before tax | (97) | 12 | (79) |
| Net Profit / (Loss) after tax | (62) | 18 | (54) |
| EPS* (₹) | (1.27) | 0.36 | (1.10) |

* 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 received, if any, on the said shares.

Segmental Results

(Figures in ₹ Crores)

| Particulars | Q3 '13-14 | | | Q2 '13-14 | | | Q3 '12-13 | | |
|------------------|-----------|-----|-----|-----------|-----|-----|-----------|-----|-----|
| | Cement | TBK | RMC | Cement | TBK | RMC | Cement | TBK | RMC |
| Segment Revenue | 434 | 430 | 288 | 438 | 452 | 275 | 488 | 428 | 267 |
| Segment Results | (32) | (5) | 1 | (54) | 127 | (2) | (32) | 1 | 2 |
| Capital Employed | 1,525 | 876 | 223 | 1,497 | 851 | 234 | 1,492 | 806 | 234 |

Performance Review and key developments

During the Quarter ended December 31, 2013, the Company produced 9.30 lac tons of clinker and 11.48 lac tons of cement. The Company despatched 0.04 lac tons of clinker and 11.31 lac tons of cement during the Quarter ended December 31, 2013 as against 13.58 lac tons of cement during the quarter ended December 31, 2012.

Cement margins were impacted due to subdued volumes and increase in input costs during the Quarter when compared to the corresponding period last year.

During the Quarter, expenditure of ₹ 14.98 crores (corresponding Quarter of the previous year ₹ 8.04 crores) has been incurred on account of annual shutdown in one of the cement units of the Company.

During the Quarter, the Cement Division launched 'HI-TECH', a new generation brand offering premium quality grade of cement, in Bihar. Prism 'HI-TECH' offers variety of advantages over traditional cement available in the market. It is highly recommended for critical applications and uses in construction of foundations, pillars, beams, columns and roofing.

The Company started using pet coke in cement operations during the Quarter. Pet coke is expected to reduce the overall operating cost, thereby improving profitability, of the Division.

H & R Johnson (India) (HRJ) Division operates in the TBK (Tile Bath Kitchen) Segment. The Division's sales revenues during the Quarter were ₹ 428 Crores. The Division Sales revenues were flat when compared to the corresponding Quarter last year due to the agitation by the tile manufacturers in Morbi (Gujarat) for nearly a month, an important tile source for the Company. The Division's profitability was adversely impacted during the Quarter on account of higher fuel and raw material costs when compared to the corresponding period last year. The Division continued to implement the cost-savings projects. The Coal Gassifier commissioned in one of the AP unit in Q2 has stabilized and one more has been commissioned in another unit in AP during Q3. Natural Gas Pipe line connectivity by GAIL for Karnataka plant is near completion. These initiatives would help in reducing the fuel cost and ramping up the capacity utilization of the Division.

The Company has wound up its wholly-owned foreign subsidiary—Lifestyle Investments Pvt Limited (LIPL). During the Quarter, the Company has received an amount of ₹ 6 crores as dividend on the equity shares held in LIPL, in addition to its investment of ₹ 10 lacs in LIPL.

The Quarter under review remained challenging for RMC Readymix (India) (RMC) Division. The sales turnover of the Division increased by 8% on y-o-y basis. The profitability of the Division continues to be under pressure due to lower capacity utilization and increase in costs, especially fuel. However,

the Division has witnessed few signs of recovery in the last month of the Quarter.

Expansions

The basic infrastructure work and work on the incline is nearing completion at the Coal Block at Chhindwara, Madhya Pradesh. The mined coal will be used for captive consumption of the cement plant located at Satna, Madhya Pradesh.

Industry Scenario / Future Outlook

The demand for building materials is expected to improve in Q4 of FY 2013-14 as compared to Q3 of the year. Therefore, the overall capacity utilization of the Company is expected to improve during the Quarter.

Bulk of H & R Johnson (India)'s products are targeted towards affordable housing segment which is growing at a healthy rate and is likely to continue in future as well due to India's economic growth and changing demographics. Moreover, HRJ also has a slew of lifestyle products at premium price points. The robust distribution network, strong brand equity, wide-spread manufacturing locations, and a comprehensive product portfolio of tiles, baths, and kitchens enable HRJ to enjoy a distinct competitive advantage over others in the market.

The Ready-mixed Concrete Industry in India is over 15 years old and was growing at a healthy rate over the last few years. However, due to the prevailing economic environment, the volume growth for the industry in the last few quarters has been under pressure. The markets in some of the metros are expected to see a turnaround shortly as Development permissions are being given at a greater pace. With the Mega Projects Vertical, RMC Division is focusing on infrastructure segment as well. The markets in 2-tier & 3-tier 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 425 kms from its plant at Satna, MP. It has a wide marketing network with about 3,700 dealers serviced from 163 stocking points.

H & R Johnson (India)

Established in 1958, H & R Johnson (India) is the pioneer of ceramic tiles in India. Over the past 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 8 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:

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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.