



PRISM JOHNSON LIMITED

October 23, 2025

The National Stock Exchange of India Limited Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051.	The BSE Limited, Corporate Relationship Department, P. J. Towers, Dalal Street, Fort, Mumbai - 400 023.
Code : PRSMJOHNSN	Code: 500338

Dear Sir,

Sub.: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Update on Credit Rating and its Outlook

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR'), we wish to inform you that India Ratings & Research Private Limited ('**India Ratings**') has assigned credit rating/outlook 'IND A+/Positive' for the new bank loan facilities of the Company for an aggregate amount of ₹ 300 crores.

We also wish to inform you that the India Ratings has affirmed its ratings/outlook for the existing non-convertible debentures and long term issuer rating of the Company at 'IND A+/Positive', for existing bank loan facilities of the Company at 'IND A+/Positive/IND A1+', and for commercial paper of the Company at 'IND A1+'.

Document published by India Ratings dated October 23, 2025 in this regard is enclosed herewith.

The above is for your information and record.

Thanking you,
Yours faithfully,
for PRISM JOHNSON LIMITED

SHAILESH DHOLAKIA
Company Secretary &
Compliance Officer

Encl.: As above



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India Ratings Affirms Prism Johnson, its NCDs and Bank Loan Facilities at 'IND A+/'Positive; CPs at 'IND A1+'; Rates Additional Limits

Oct 23, 2025 | Cement & Cement Products

India Ratings and Research (Ind-Ra) has taken the following rating actions on Prism Johnson Limited (PJL) and its debt instruments:

Details of Instruments

Instrument Type	Date of Issuance	Coupon Rate	Maturity Date	Size of Issue (million)	Rating Assigned along with Outlook/Watch	Rating Action
Long-Term Issuer Rating	-	-	-	-	IND A+/'Positive	Affirmed
Bank loan facilities	-	-	-	INR20,776	IND A+/'Positive/ IND A1+	Affirmed
Bank loan facilities	-	-	-	INR3,000	IND A+/'Positive/ IND A1+	Assigned
Commercial paper*	-	-	-	INR2,000	IND A1+	Affirmed
Fixed deposit	-	-	-	INR1	IND A+/'Positive	Affirmed
Non-convertible debentures#	-	-	-	INR2,000	IND A+/'Positive	Affirmed

#Details in annexure

*Yet to be issued; The CP will be carved out of PJL's fund-based working capital limits and will be used for meeting its working capital requirements

Analytical Approach

Ind-Ra continues to take a fully consolidated view of PJL and its subsidiaries (excluding Raheja QBE General Insurance Company Limited (RQBE)), together referred to as PJL, because of the strong operational and strategic linkages among them. Ind-Ra has not considered RQBE while taking the consolidated view due to its non-strategic nature.

Detailed Rationale of the Rating Action

The Positive Outlook reflects the likelihood of an increase in PJL's operating profitability in FY26, leading to an improvement in its credit profile. The fall in realisations amid tepid demand and increased competition led to lower EBITDA in FY25, as against Ind-Ra's earlier expectation of an improvement. However, the agency expects cement demand and increased realisations to improve, supported by cost optimisation measures across segments, resulting in higher EBITDA in FY26.

Furthermore, the company reduced its net debt by monetising some non-core assets in 4QFY25, resulting in a largely stable net leverage. The interest coverage is likely to improve in FY26 with the likely recovery in the EBITDA and the debt reduction. The liquidity remains adequate, supported by sizeable, unencumbered cash and cash equivalents along with unutilised bank lines.

List of Key Rating Drivers

Strengths

- Robust market position; diversified business profile
- Likely improvement in credit metrics in FY26 aided by assets monetisation
- Cost optimisation to help recovery in cement EBITDA in FY26
- Ready-mix concrete (RMC) EBITDA doubles on multi-year high margins; sustainability key

Weaknesses

- HRJ profitability remained flat in FY25; plant modernisation and brand building initiative to help gradual recovery
- Fall in EBITDA led to weak return on capital employed (RoCE)
- Profitability susceptible to volatility in input prices

Detailed Description of Key Rating Drivers

Robust Market Position; Diversified Business Profile: PJL has a diversified business profile with an established presence in three segments (cement, tiles and sanitaryware (HRJ), and RMC). It is a prominent cement manufacturer in central and eastern India with an installed capacity of 5.6 million tonnes per annum (mtpa) at end-March 2025. Additionally, the company is among the leading tiles manufacturers with a track record of over six decades and a capacity of around 64.2 million square metres across 11 manufacturing units and a major player in the RMC segment. Cement contributed around 45% to its total revenue over FY23-FY25, followed by HRJ (35%) and RMC (20%). While all three segments are driven by demand from infrastructure and housing, differing supply and pricing dynamics help mitigate the impact of weakness in a particular segment. This was witnessed in FY25 when the doubling of RMC EBITDA and a stable performance in HRJ cushioned the impact of a sharp fall in the cement profitability on PJL's overall EBITDA. While the cement EBITDA fell 32% yoy to INR2.3 billion in FY25, the overall EBITDA fell 13% yoy to INR4.5 billion.

Likely Improvement in Credit Metrics in FY26 Aided by Assets Monetisation: PJL's consolidated adjusted net leverage (net debt including supplier's credit/operating EBITDA) remained stable at 2.4x in FY25 (FY24: 2.6x; FY23: 3.8x), due to a reduction in the net debt (ex-RQBE, including supplier's credit) to INR11.1 billion (INR13.4 billion; INR16.8 billion), despite the fall in the EBITDA. The reduction in its net debt was due to the monetisation of a part of the industrial premises located at PJL's tile plant at Pen, Maharashtra, to JSW Steel Limited (['IND AA'/Rating Watch with Developing Implications'](#)) for INR1.6 billion and the receipt of income tax refund pertaining to AY07-AY11 (assessment year) of INR1.5 billion in 2HFY25. However, given that the large part of the debt reduction took place in 4QFY25, PJL's consolidated gross interest coverage ratio (operating EBITDA/ gross interest expense) fell to 2x in FY25 (FY24: 2.7x, FY23: 2.4x).

Ind-Ra expects a recovery in the EBITDA in FY26, driven by an improvement in the demand and profitability in the cement business on the back of better realisations and cost efficiencies. The profitability in the tiles division is likely to be supported by the recently completed modernisation in the Vijayawada tile plant which should enhance its value-added premium products and capacity utilisation. The company's continued cost optimisation measures in the RMC segment, along with a reduction in cement prices, has led to improved profitability in the segment in FY25, which is likely to be sustained. PJL had also undertaken asset monetisation in FY24 through the transfer of the mining lease and the sale of certain freehold land parcels in Andhra Pradesh to The Ramco Cements Ltd to pare debt, indicating its commitment to

maintaining a healthy balance sheet. Ind-Ra expects PJL's annual capex to moderate over FY26-FY27, which, coupled with a healthy EBITDA generation, is likely to ensure a continued improvement in the credit metrics with the adjusted net leverage likely reducing below 2x and the interest coverage to increase materially.

Cost Optimisation to Help Recovery in Cement EBITDA in FY26: Cement demand remained subdued in 1HFY25 due to a slowdown in the infrastructure spending in the election year, with a pick-up in demand witnessed only since November 2024. As a result, after falling in 1HFY25, PJL's cement and clinker sales volumes picked up in 2H, resulting in 1% yoy growth to 6.6million tonnes (mnt) in FY25. Subdued demand, coupled with intense competition arising from supply additions and ongoing capex plans of large players, led to cement prices declining to a decadal low in FY25. While the average realisation remained flat yoy, cement and clinker sales volume grew 18% yoy to 2.0mnt in 1QFY26 (1QFY25: 1.7mnt).

Ind-Ra expects single-digit growth in demand for PJL in FY26, led by the demand from housing and infrastructure segments in the underpenetrated central India market. With high-capacity utilisation of its own plant, PJL adopted an asset-light model to ensure growth and entered into supply arrangements with three grinding units in Uttar Pradesh and one in Madhya Pradesh to cater to the new untapped markets. The supply arrangements led to the grinding capacity increasing to 1.37mtpa as of mid-September 2025 (end-March 2025: 1.08 mtpa). Ind-Ra understands that the cement prices have improved since the beginning of FY26, but their sustainability remains a monitorable, given the influx of capacities and a higher competition.

After recovering to INR522 in FY24 (FY23: INR445), PJL's EBITDA per metric tonne declined to INR351 in FY25 on account of a fall in realisations exacerbated by longer-than-usual plant shutdowns in 2QFY25-3QFY25, which led to shutdown expenses of around INR200/mt over the period. The EBITDA/mt improved to INR708 in 1QFY26 (4QFY25: INR579; 3QFY25: INR11; 2QFY25: INR58; 1QFY25: INR654), as volumes increased during the quarter which brought in the benefits of economies of scale. Ind-Ra expects further recovery in the profitability in FY26, on the back of the cost savings arising from an increase in the proportion of green power (FY25: 32%; FY24: 29%) with the addition of 8MW of solar power in January 2025. The captive wind power project of 24MW has been terminated by the company. Furthermore, the rising share of PJL's premium branded cement (FY25: 42%, FY24: 34%, FY21: 28%) should support profitability. However, the impact of geo-political issues on fuel prices will remain a monitorable.

RMC EBITDA Doubles on Multi-year High Margins; Sustainability Key: After recording an all-time high EBITDA of INR0.8 billion in FY25 (FY24: INR0.4 billion), aided by the strong order execution in mega projects, RMC EBITDA fell 39% yoy to INR0.17 billion in 1QFY26 (1QFY25: INR0.28 billion), following a 22% yoy fall in volumes, due to the completion of orders from a few mega projects. The segment's EBITDA margins moderated to 5.1% in 1QFY26 (1QFY25: 8.0%; FY25: 5.8%; FY24: 2.7%; FY23: 0.4%). However, Ind-Ra expects the growth in real estate and infrastructure segments, coupled with franchisee scale-up, to support PJL's RMC revenue (FY25: INR14.2 billion; FY24: INR14.7 billion) as it looks to secure new orders even as the sustainability of the strong margins witnessed in FY25 would be monitorable.

HRJ Profitability Remained Flat in FY25; Plant Modernisation and Brand Building Initiative to Help Gradual Recovery: After successive falls over FY23-FY24 from the decadal highs of 10.6% in FY22, HRJ division's EBITDA margin remained flat at 5.8% in FY25 (FY24: 5.7%; FY23: 7.3%). With volumes also remaining flat, the EBITDA stood at INR1.4 billion in FY25 (FY24: INR1.4 billion), lower than the levels witnessed over FY21-FY23. Ind-Ra opines that a sharp fall in India's tiles exports disrupted the demand-supply balance in FY25, exerting pressure on prices. While the volumes remained flat yoy in 1QFY26, a gradual improvement is likely over FY26. PJL completed the modernisation of its Vijayawada plant in August 2024, to increase its presence in high-value and premium products.

The company also plans to increase its marketing and brand building initiatives to increase its penetration and market share over the medium term, which may initially put some pressure on profitability; however, these initiatives, coupled with the ramp-up of the Panagarh plant (completed in October 2023) will gradually aid recovery in profitability. During FY25, PJL acquired a 50% stake in Gujarat-based Sunbath Sanitary Pvt. Ltd. for a cash consideration of INR0.2 billion to secure an uninterrupted supply of sanitaryware at competitive prices in a growing market. Sunbath has an annual production capacity of around 11,000 tonnes.

Fall in EBITDA Led to Weak RoCE: From an average of INR6 billion-6.5 billion over FY19-FY22, PJL's EBITDA fell to an average of less than INR5 billion over FY23-FY25, due to factors including high fuel costs in FY23 and weak realisations in

FY25. The fall in EBITDA has resulted in a significant weakening of the ROCE (including other income) to around 5% over FY23-FY25 (FY25: 5.2%) from the healthy levels of around 15% over FY19-FY22. The company incurred an average capex of INR4 billion over FY23-FY25 consisting of a mix of expansion, efficiency improvement and maintenance. However, with the completion of the expansion and modernisation in the tiles business and no major capex planned in the cement segment in the near term, the capex requirement is likely to moderate in FY26. However, a sustained increase in the EBITDA is critical for an improvement in the RoCE and will be a key rating monitorable.

Profitability Susceptible to Volatility in Input Prices: Any sharp increase in the key input prices, including pet coke, coal, natural gas and diesel, not matched by a corresponding increase in the cement and tiles prices, could affect the company's EBITDA and profitability. The company's consolidate EBITDA margins improved to 9.7% in 1QFY26 (1QFY25: 9.3%; FY25: 6.7%; FY24: 7.3%), supported by a revival in the cement division. The profitability was affected in FY25, due to subdued cement prices owing to increased supply and competition.

Liquidity

Adequate: The average utilisation of PJL's standalone fund-based limits was around 11% (of drawing power, sanctioned limit is higher) during the 12 months ended August 2025, indicating significant liquidity cushion. In addition, the consolidated cash and equivalents (including RQBE) stood at INR4.8 billion at FYE25 (FY24: INR5.1 billion, FYE23: INR3.3 billion). PJL's cash flow from operations (post interest; including RQBE) increased to INR6.5 billion in FY25 (FY24: INR3.7 billion, FY23: INR4.8 billion), driven by the release of working capital and proceeds from income tax refunds. PJL has minimal scheduled repayment obligations of about INR0.2 billion for FY26 given the prepayments in FY26. The entity has scheduled repayments of around INR2.4 billion for FY27, and Ind-Ra opines that internal accruals would be sufficient to meet the same. Besides, with the financial flexibility from being a part of the Rajan Raheja group, the company has a history of successfully refinancing its debt obligations within a year from maturity. Ind-Ra also draws comfort from the management's guidance of a minimum liquidity of around INR2.0 billion to be maintained in business.

Rating Sensitivities

Positive: A substantial improvement in the operating performance and profitability, along with the adjusted net leverage reducing below 2.0x, on a sustained and consolidated basis, could be positive for the ratings.

Negative: A weaker-than-Ind-Ra-expected operating performance and/or higher-than-expected capex, leading to the adjusted net leverage remaining above 2.0x, on a sustained and consolidated basis, could be negative for the ratings.

Any Other Information

Standalone Financials: During FY25, the company posted revenue of INR67.3 billion (FY24: INR70.7 billion, FY23: INR67.1 billion), EBITDA of INR3.9 billion (INR4.5 billion, INR3.9 billion), net leverage (including supplier's credit) of 2.2x (2.5, 3.7x) and gross interest coverage of 2.0x (2.7x, 2.4x).

Investments in RQBE to Continue: PJL continues to evaluate divestment opportunities in RQBE as it remains non-strategic but is likely to invest INR0.5 billion-0.6 billion (1HFY26: INR0.6 billion, FY25: INR0.4 billion) annually in the near term to support the latter's business requirements. PJL's share in RQBE's losses stood at INR0.2 billion in FY25 (FY24 losses: INR0.2 billion, FY23 losses: INR0.4 billion). PJL's earlier planned divestment of its entire holding of 51% in RQBE was automatically terminated in May 2022 due to a delay in the receipt of regulatory approvals.

ESG Issues

ESG Factors Minimally Relevant to Rating: Unless otherwise disclosed in this section, the ESG issues are credit neutral or have only a minimal credit impact on PJL, either due to their nature or the way in which they are being managed by the entity. For more information on Ind-Ra's ESG Relevance Disclosures, please click [here](#). For answers to frequently asked questions regarding ESG Relevance Disclosures and their impact on ratings, please click [here](#).

About the Company

PJL, incorporated in 1992, is a leading integrated manufacturer of building material such as cement, RMC, and ceramic tiles in India. It also has interests in building materials, sanitary-ware and insurance through subsidiaries and joint ventures.

The cement division (Prism Cement) has an installed capacity of 5.6mtpa in Satna (Madhya Pradesh) as of end-March 2025 and supply agreements with four grinding units (three situated in Uttar Pradesh and one in Madhya Pradesh), for an aggregate capacity of 1.37mtpa as of mid-September 2025. With three decades of operations, Prism Cement had a distribution network of 2,400 effective dealers and nearly 5,800 effective retailers as of end-March 2025, catering to cement demand in Uttar Pradesh, Madhya Pradesh and Bihar. The company produces Portland Pozzolana Cement under four brands - Champion, and three premium brands, Champion Plus, Champion All Weather and Duratech - and Ordinary Portland Cement at its Satna plant. At end-March 2025, it had a trade to non-trade mix of 72:28, and the share of premium products in the revenue was 42%, up from 34% last year.

HRJ has been operating since 1958 in India. The company offers a diversified product portfolio of tiles, sanitary ware, bath fittings and engineered marble and quartz. HRJ's products are sold under the brand names of Johnson Tiles, Johnson Marbonite, Johnson Porselano, Johnson Endura, Johnson International and Johnson Marble & Quartz. The division has a distribution network of about 900 dealers, and it operates 21 large format experience centres as of end-March 2025. This segment operates 11 tile plants (including joint ventures) with a total capacity of around 64.2 million square metres, and two-bathroom fittings plants with a total capacity of 3.6 million pieces per annum.

Prism RMC is among the top four players in the RMC sector in terms of number of plants, with a pan-India presence. As of end-March 2025, it had a capacity of 11.6 million cubic meter and operated 98 plants across 45 locations.

RQBE is a subsidiary of PJL, where PJL holds 51% stake and rest is owned by Australia-based QBE Insurance Group.

Key Financial Indicators

Particulars (INR billion)	FY25	FY24
Revenue	68.3	71.8
Operating EBITDA	4.5	5.2
Operating EBITDA margin (%)	6.7	7.2
Interest coverage (x)	2.0	2.7
Net leverage (x)	2.4	2.6
Source: PJL, Ind-Ra Note: Financials excluding RQBE		

Status of Non-Cooperation with previous rating agency

Not applicable

Rating History

Instrument Type	Rating Type	Rated Limits (million)	Current Ratings/Outlook	Historical Rating/Outlook			
				27 May 2025	28 May 2024	21 February 2024	23 February 2023
Issuer rating	Long term	-	IND A+/Positive	IND A+/Positive	IND A+/Positive	IND A+/Positive	IND A+/Stable
Commercial paper	Short term	INR2,000	IND A1+	IND A1+	IND A1+	IND A1+	IND A1+
Non-convertible debentures	Long term	INR2,000	IND A+/Positive	IND A+/Positive	IND A+/Positive	IND A+/Positive	IND A+/Stable
Fixed deposit	Long term	INR1	IND A+/Positive	IND A+/Positive	IND A+/Positive	IND A+/Positive	IND A+/Stable
Bank Laon Facilities	Long term/ Short term	INR23,776	IND A+/Positive/ IND A1+	IND A+/Positive/ IND A1+	IND A+/Positive/ IND A1+	IND A+/Positive/ IND A1+	IND A+/Stable/ IND A1+

Bank wise Facilities Details

Complexity Level of the Instruments

Instrument Type	Complexity Indicator
Bank loan facilities	Low
Commercial paper	Low
Fixed deposit	Low
Non-convertible debentures	Low

For details on the complexity level of the instruments, please visit <https://www.indiaratings.co.in/complexity-indicators>.

Annexure

Instrument Type	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of Issue (million)	Rating/Outlook
Non-convertible debentures	INE010A08149	5 July 2024	8.5	5 July 2028	INR1,000	IND A+/Positive
Non-convertible debentures	INE010A08156	5 July 2024	8.6	5 July 2029	INR1,000	IND A+/Positive
Total					INR 2,000	

Source: NSDL; Ind-Ra

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About India Ratings

India Ratings and Research (Ind-Ra) is India's most respected credit rating agency committed to providing India's credit markets accurate, timely and prospective credit opinions. Built on a foundation of independent thinking, rigorous analytics, and an open and balanced approach towards credit research, Ind-Ra has grown rapidly during the past decade, gaining significant market presence in India's fixed income market.

Ind-Ra currently maintains coverage of corporate issuers, financial institutions (including banks and insurance companies), finance companies, urban local bodies, and structured finance and project finance companies.

Headquartered in Mumbai, Ind-Ra has seven branch offices located in Ahmedabad, Bengaluru, Chennai, Gurugram, Hyderabad, Kolkata and Pune. Ind-Ra is recognised by the Securities and Exchange Board of India and the Reserve Bank of India.

Ind-Ra is a 100% owned subsidiary of the Fitch Group.

Solicitation Disclosures

Additional information is available at www.indiaratings.co.in. The ratings above were solicited by the issuer, and therefore, India Ratings has been compensated for the provision of the ratings.

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APPLICABLE CRITERIA AND POLICIES

Evaluating Corporate Governance

Corporate Rating Methodology

Parent and Subsidiary Rating Linkage

Short-Term Ratings Criteria for Non-Financial Corporates

The Rating Process

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