September 03, 2025

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

Dear Sir,

Sub.: Disclosure under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Update on Credit Rating

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that Crisil Ratings Limited ('Crisil Ratings') has re-affirmed its ratings for the Commercial Paper of the Company as 'Crisil A1+'.

Rating rationale dated September 02, 2025 published by Crisil Ratings on its website in this regards is enclosed herewith.

The above is for your information and record.

Thanking you,
Yours faithfully,
for **PRISM JOHNSON LIMITED**

Shailesh Nagindas Dholakia
Digitally signed by Shailesh Nagindas Dholakia
Date: 2025.09.03 09:42:41 +05'30'

SHAILESH DHOLAKIA
Company Secretary &
Compliance Officer

Encl.: As above

Rating Rationale

September 02, 2025 | Mumbai

Prism Johnson Limited

Rating reaffirmed at 'Crisil A1+'

Rating Action

Rs.200 Crore Commercial Paper	**Crisil A1+ (Reaffirmed)**

Note: None of the Directors on Crisil Ratings Limited's Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.
1 crore = 10 million
Refer to Annexure for Details of Instruments & Bank Facilities

Detailed Rationale

Crisil Ratings has reaffirmed its 'Crisil A1+' rating on the commercial paper programme of Prism Johnson Ltd (PJL).

The rating reflects the healthy business risk profile supported by PJL's position as a prominent cement player in the central region, its established presence in the domestic ceramic and vitrified tiles industry along with being one of the leading players in the ready-mix concrete (RMC) business and structural improvement in the operating efficiency of the Cement and HRJ Divisions. The rating also factors in the healthy liquidity and financial risk profile maintained. These strengths are partially offset by susceptibility to fluctuations in input costs and realisations, cyclicality in the industry and exposure to intense competition.

During fiscal 2025, the consolidated earnings before interest, tax, depreciation and amortisation (EBITDA) margin remained flattish at 6.8%, compared to 6.4% in the previous fiscal, due to industry-wide moderation in cement realisations during the period. Owing to the pricing pressure, EBITDA per ton of the cement segment moderated to Rs 351 in fiscal 2025 as compared to Rs 523 in fiscal 2024, even as costs per ton reduced during the same period. As for the tiles division, operating profitability remained flattish with shutdowns undertaken to carry out modernisation activities at some of the manufacturing units of the company, as well as slowdown witnessed in the export market, leading to lower utilisation levels and hence lower absorption of fixed costs.

For fiscal 2026, Crisil Ratings expects consolidated EBITDA margin to improve to 8-9% driven by improvements in pricing as well as cost reductions in the cement division, particularly through benefit of investments made in green energy. The profitability of tiles division is expected to remain flattish during the current fiscal as well, as the company has budgeted for increased advertising spend during the fiscal. However, an improvement in utilisation levels and benefit of plant modernisations is expected to support profitability from fiscal 2027 onwards. The profitability of the RMC segment is expected to remain strong with EBITDA of more than Rs 75-80 crore expected annually from the segment going forward.

Even though operating profits declined during fiscal 2025, cash accruals were supported by sale of industrial land premises (resulting in post-tax exceptional gain of Rs 149 crore) as well as favorable rulings from the Income Tax Appellate Tribunal, resulting in an interest income of around Rs 82 crore. These one-off receipts resulted in decline in net debt levels to Rs 1,106 crore as on March 31, 2025 and the consolidated net debt to EBITDA ratio improved to 2.4x for fiscal 2025 against 2.9x for fiscal 2024. Crisil Ratings expects the net debt to EBITDA ratio to gradually decline further over the medium term with an expected improvement in profitability amid no significant capital expenditure (capex) plans. Liquidity remains strong, with cash and equivalents of approximately Rs 474 crore as on March 31, 2025, along with management's intent to prepay or refinance a large part of the term debt a year in advance.

Analytical Approach

Crisil Ratings has combined the business and financial risk profiles of PJL and its joint ventures (JVs), associate and subsidiary companies as these have strong financial, managerial and operational linkages.

Crisil Ratings has factored in support from PJL to Raheja QBE General Insurance Company Ltd and has accordingly carried out adjustments to net worth, in line with the capital allocation approach.

Crisil Ratings has considered supplier's credit as debt.

Please refer Annexure - List of Entities Consolidated, which captures the list of entities considered and their analytical treatment of consolidation.

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Key Rating Drivers & Detailed Description

Strengths:

- **Prominent cement player in the central region, established presence in the domestic tiles business and one of the leading players in the RMC business:** PJL is a prominent cement player in the central region with capacity of 5.6 million metric tonne per annum (MTPA) supported by long track record of operations. Cement sales for PJL are concentrated in Uttar Pradesh (UP), Madhya Pradesh (MP) and Bihar with majority of the offtake from eastern and central UP. PJL sells cement under the brands – Champion, Champion Plus, Champion All Weather GOLDshield and Duratech. PJL also has supply agreements with four suppliers for supply of cement having grinding capacity of 1.17 MTPA (expected to increase to 1.38 mtpa by September 30, 2025).

  The company's tiles division, HRJ, has total tile manufacturing capacity of 64 million m^2 across 11 units (including JVs) across India post modernisation of its Vijaywada plant and commencement of its greenfield tile plant at Panagarh, West Bengal with a production capacity of 6.3 million m^2. The division also houses a faucet manufacturing plant each in Samba, Jammu & Kashmir, and Baddi, Himachal Pradesh. HRJ has a wide product range including tiles, sanitary ware andfaucets, and engineering marbles and quartz. HRJ has a wide distribution network of over 900 dealers and 21 large format experience centres.

  Prism RMC, one of the leading RMC manufacturers, operates 91 RMC plants at 42 locations across India as on June 30, 2025.

- **Healthy operating efficiency:** The EBITDA per tonne of PJL's cement division moderated to 445-525 over fiscals 2023-2024 and further declined to Rs 351 during fiscal 2025, from Rs 700-1,000 per tonne in fiscals 2019 to 2022. The reduction during the previous fiscal was majorly driven by the subdued cement pricing environment across the industry. However, Crisil Ratings estimates that going forward, the EBITDA per ton is expected to improve, as the company is expected to benefit from pricing improvements in the cement sector and various cost efficiency measures such as increasing use of AFR and investments in green energy. During fiscal 2025, the company commissioned 8 MW of solar capacity at Satna, Madhya Pradesh, which will support cost savings.

  After witnessing a turnaround in the HRJ division during fiscals 2021 and 2022 as seen in EBITDA margin improving to double digits (barring quarters impacted due to the pandemic) from 3-4% during fiscals 2018 to 2020, operating profitability was impacted during fiscals 2023-2024 due to high gas prices and various kiln modernization activities being undertaken by the company. Margins remained flattish in fiscal 2025 at 5.8% with modernisation activities undertaken at some of the units and export demand moderation leading to higher competition domestically. During Q1 FY26, HRJ started a TV advertisement campaign, which led to an incremental cost, that impacted margins during the quarter, which would have otherwise improved on a YoY basis. However, margins should improve from fiscal 2027 with higher expected utilisation levels and increased efficiencies of units post completion of modernisation capex.

- **Heathy financial risk profile and strong liquidity:** Financial leverage, as measured by net debt to EBITDA improved in fiscal 2025 to 2.4 times from 2.9 times in fiscal 2024 and 3.6 times in fiscal 2023, largely owing to total proceeds of around Rs 363 crore from sale of non core assets and refund from IT related matters. The company has moderate annual capex plans over medium term towards various cost efficiency improvements, which will be internally funded and will keep the medians in check going forward. Interest coverage to remain comfortable at above 4 times over the medium term. Liquidity remains strong, with cash and equivalents of approximately Rs 474 crore as on March 31, 2025 which will be utilised towards debt reduction and capex. The company plans to maintain sufficient liquidity on a steady-state over medium. Further, the company has a practice to prepay or refinance large part of the term debt a year in advance which lends comfort to the financial risk profile. PJL also has healthy financial flexibility being part of a strong group.

Weaknesses:

- **Susceptibility to fluctuations in input costs and realisations; and cyclicality in the industry:** Capacity addition in the cement industry tends to be sporadic because of the long gestation period for setting up a facility and numerous players adding capacity during the peak of a cycle. This has led to unfavourable price cycles for the sector in the past. Moreover, profitability remains exposed to volatility in input prices, including raw material, power, fuel and freight. Increase in coal and pet coke prices have impacted the profitability of several cement players. Realisations and profitability are also affected by demand, supply, offtake and regional factors.

- **Exposure to intense competition:** The ceramic tiles industry is intensely competitive coupled with presence of large unorganised sector. However, with changes such as closure of ceramic units running on coal gasifiers, and implementation of the Goods and Services Tax (GST) and Real Estate (Regulation and Development) Act, 2016 (RERA), the market share of organised players has expanded in recent times.

  Despite being one of the leading players, the HRJ division faces significant competition from reputed brands such as Kajaria Ceramics Ltd, Somany Ceramics Ltd (rated 'Crisil AA-/Stable/Crisil A1+'), Asian Granito India Ltd and Orient Bell

Ltd (rated 'Crisil A-/Stable/Crisil A2+'). Intense competition restricts profitability, given the lower ability to pass on cost increases to customers.

Liquidity: Strong

Estimated net cash accrual of over Rs 450 crore and Rs 525 crore per annum for fiscals 2026 and 2027 along with high cash and equivalents balance, are more than adequate to meet the yearly scheduled debt repayment. Also, PJL has demonstrated its ability to refinance debt in the past as the company typically prepays or refinances major portion of loans due in the next one year. Minimally utilised bank lines for the six months ended June 2025 provide additional cushion to liquidity. Furthermore, being part of a strong group provides healthy financial flexibility.

Rating sensitivity factors

Downward factors:

- Weakening of the financial risk profile with net debt to EBITDA ratio sustaining above 4 times
- Lower-than-expected liquidity either owing to low cash balance or high utilisation of fund-based limits
- Slower-than-expected turnaround in profitability across divisions (Cement, HRJ and RMC)
- Large, debt-funded capital expenditure exposing the company to project risks

About the Company

PJL is an integrated building materials company, with a wide range of products such as cement, RMC, tiles and bath products. The PJL group currently has three divisions - Cement, HRJ, and RMC. Further, it has a 51% stake in its general insurance subsidiary, RQBE General Insurance Company Ltd(RQBE). PJL is listed on the Bombay Stock Exchange and National Stock Exchange.

Key Financial Indicators (consolidated excluding RQBE) – Adjusted by Crisil Ratings

Particulars	Unit	2025	2024
Revenue	Rs crore	6,812	7,149
PAT	Rs crore	93	202
PAT margin	%	1.4	2.8
Adjusted debt/adjusted networth	Times	0.96	1.17
Adjusted interest coverage	Times	2.59	2.53

Any other information: Not applicable

Note on complexity levels of the rated instrument:

Crisil Ratings` complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

Crisil Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

For more details on the Crisil Ratings` complexity levels please visit www.crisilratings.com. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN	Name Of Instrument	Date Of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs. Crore)	Complexity Levels	Rating Outstanding with Outlook
NA	Commercial Paper	NA	NA	7-365 days	200.00	Simple	Crisil A1+

Annexure – List of entities consolidated

Names of entities consolidated	Extent of consolidation	Rationale for consolidation
TBK Rangoli Tile Bath Kitchen Pvt Ltd	Full	Significant operational and financial linkages
TBK Venkataramiah Tile Bath Kitchen Pvt Ltd	Full	Significant operational and financial linkages
TBK Samiyaz Tile Bath Kitchen Pvt Ltd	Full	Significant operational and financial linkages
TBK Prathap Tile Bath Kitchen Pvt Ltd	Full	Significant operational and financial linkages
H. & R. Johnson (India) TBK Ltd	Full	Significant operational and financial linkages
RMC Readymix Porselano (India) Ltd	Full	Significant operational and financial linkages
Sentini Cermica Ltd (Formerly known as Sentini Cermica Pvt Ltd)	Full	Significant operational and financial linkages
Stellar Ceramics Pvt Ltd (Formerly known as Spectrum Johnson Tiles Pvt Ltd)	Full	Significant operational and financial linkages

Antique Granito Pvt Ltd (Formerly known as Antique Marbonite Pvt Ltd)	Full	Significant operational and financial linkages
Sanskar Ceramics Pvt Ltd	Full	Significant operational and financial linkages
Small Luxetile Pvt Ltd (Formerly known as Small Johnson Floor Tiles Pvt Ltd)	Full	Significant operational and financial linkages
Coral Gold Tiles Pvt Ltd	Full	Significant operational and financial linkages
Prism Johnson Building Solutions Limited	Full	Significant operational and financial linkages
Prism Concrete Solutions Limited	Full	Significant operational and financial linkages
PJL Cement Limited	Full	Significant operational and financial linkages
Raheja QBE General Insurance Company Ltd	Capital allocation	Significant operational and financial linkages
Ardex Endura (India) Pvt Ltd	Proportionate	JV
TBK Deepgiri Tile Bath Kitchen Pvt Ltd	Proportionate	JV
TBK Florance Ceramics Pvt Ltd	Proportionate	JV
Sunbath Sanitary Pvt Ltd (with effect from August 22, 2024)	Proportionate	JV
CSE Solar Parks Satna Pvt Ltd	Proportionate	Associate
Sunspring Solar Pvt Ltd	Proportionate	Associate
ReNew Green (MPR Two) Private Limited (upto May 30, 2025)	Proportionate	Associate

Annexure - Rating History for last 3 Years

	Current			2025 (History)		2024		2023		2022		Start of 2022
Instrument	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Commercial Paper	ST	200.0	Crisil A1+		--	04-10-24	Crisil A1+	06-10-23	Crisil A1+	25-03-22	Crisil A1+	--
			--		--		--	23-03-23	Crisil A1+		--	--

All amounts are in Rs.Cr.

Criteria Details

Links to related criteria
[Basics of Ratings (including default recognition, assessing information adequacy)]
[Criteria for consolidation]
[Criteria for manufacturing, trading and corporate services sector (including approach for financial ratios)]

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About Crisil Ratings Limited (A subsidiary of Crisil Limited, an S&P Global Company)

Crisil Ratings pioneered the concept of credit rating in India in 1987. With a tradition of independence, analytical rigour and innovation, we set the standards in the credit rating business. We rate the entire range of debt instruments, such as bank loans, certificates of deposit, commercial paper, non-convertible/convertible/partially convertible bonds and debentures, perpetual bonds, bank hybrid capital instruments, asset-backed and mortgage-backed securities, partial guarantees and other structured debt instruments. We have rated over 33,000 large and mid-scale corporates and financial institutions. We have also instituted several innovations in India in the rating business, including ratings for municipal bonds, partially guaranteed instruments and infrastructure investment trusts (InvITs).

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For more information, visit www.crisilratings.com

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It has delivered independent opinions, actionable insights, and efficient solutions to over 100,000 customers through businesses that operate from India, the US, the UK, Argentina, Poland, China, Hong Kong and Singapore.

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