



POKARNA LIMITED

MEDIA RELEASE

28th January, 2005

Pokarna Limited is a well known and leading name in the Export of Processed Granite Slabs from the Country. Pokarna Limited operates several quarries and has the very best and latest machinery to compliment the quarries. Our state of the art factories are examples of international standards in cleanliness and organised production.

Pokarna Limited has diversified into apparel manufacturing and has set up a most modern apparel making factory on the outskirts of Hyderabad in the Apparels Park at Gundlapochampalli.

The equations in the apparels industry which were more determined by Quotas have come to an end on 31st December 2004. Now it means that the clothing sector will be fully integrated into the GATT.

We are cautiously optimistic about the future and feel that our committed team will meet the challenges of an extremely competitive environment.

The Company is in the process of achieving its optimum production in shirts manufacturing shortly. It is also expected that the "Trousers" production will start by April, 2005. With this the Company would be operating in Shirts & Trouser manufacturing segment.

**Pokarna Limited
Corporate Office:
105, Surya Towers, S P Road
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Company has launched its offering under the name "STANZA". "STANZA" brand shirts are available in all the leading stores across the country.

The Board of Directors of Pokarna Limited met on Friday, the 28th day of January, 2005 and approved the Unaudited Financial Results of the Company for the Nine Months Ended 31st December, 2004.

The performance highlights of Pokarna Limited for the Nine Months Ended 31st December, 2004 vis - a - vis Nine Months Ended 31st December, 2003 are:

- Net Sales for the Nine Months were Rs.10209.96 Lacs recording a growth of 30% over the same Nine Months of the previous year (31.12.2003), which was at Rs. 7840.00 Lacs.**
- Profit Before Interest and Tax (PBIT) stood at 1669.44 Lacs, recording a growth of 6.5% over the same Nine Months of the previous year (31.12.2003), which stood at Rs.1567.35 Lacs.**
- Profit Before Tax (PBT) stood at 1160.02 Lacs declined by 9.75% over the same Nine Months of the previous year (31.12.2003), which stood at Rs. 1285.27 Lacs.**
- Profit after tax (PAT) stood at 1048.49 Lacs declined 11.8% over the same Nine Months of the previous year (31.12.2003) which stood at Rs.1188.75 Lacs. PAT**



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declined mainly on account of Increase in the following:

- ❖ Interest by 81 %**
- ❖ Depreciation by 47.50%**

Further more, the Profit Margins were under pressure on account of:

- ❖ Increase in the Cost of Rough Granite Blocks**
 - ❖ Lower Export Yield from the Rough Granite Blocks**
 - ❖ Huge Fluctuation of US\$ vis-a- vis Indian Rupee**
- **EPS for the Nine Months stood at Rs. 16.91 over the same Nine Months of the previous year (31.12.2003) which stood at Rs.19.17.**
- **The Stand alone EPS of Granite Division of the Company stood at Rs.22.98 for the Nine Months Ended 31st December, 2004 recording a growth of 20% over the same half year of the previous year (31.12.2003), which stood at Rs. 19.17.**

UN-AUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 31ST DECEMBER, 2004

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(Rs. In Lacs except per share data)

S. No	Particulars	Quarter ended 31.12.2004	Quarter ended 31.12.2003	Nine Months Ended 31.12.2004	Nine Months Ended 31.12.2003	Year ended 31.03.2004 (Audited)
1	<i>Gross Sales (Including Inter-division transfer and Excise Duty)</i>	3585.21	3071.65	10246.68	7900.69	11180.40
	<i>Less: Excise Duty</i>	12.98	21.32	36.72	60.69	77.71
	<i>Net Sales</i>	3572.23	3050.33	10209.96	7840.00	11102.69
2	<i>Other Income</i>	12.09	2.97	63.42	26.15	190.51
3	<i>Increase/(Decrease) in Stock in Trade</i>	-0.10	(220.74)	189.40	45.60	60.91
	<i>(A)</i>	3584.22	2832.56	10462.78	7911.75	11354.11
4	<i>Total Expenditure</i>					
	<i>(a) Material Consumed</i>	1046.63	549.76	2934.54	1549.37	2299.22
	<i>(b) Other Mfg. Expenses</i>	1076.57	858.21	3249.53	2632.39	3809.56
	<i>(c) Staff Cost</i>	197.96	146.00	624.14	427.80	657.77
	<i>(d) Other Expenditure</i>	594.28	563.91	1630.44	1494.38	2103.81
5	<i>Interest</i>	188.27	94.59	509.42	282.08	397.39

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	(B)	3103.71	2212.47	8948.07	6386.02	9267.75
6	<i>Gross Profit (A-B)</i>	480.51	620.09	1514.71	1525.73	2086.36
7	<i>Depreciation</i>	117.28	92.35	354.69	240.46	336.19
8	<i>Profit Before Tax</i>	363.23	527.74	1160.02	1285.27	1750.17
9	<i>Provision for Tax</i>	22.00	46.45	60.00	92.95	152.95
10	<i>Deferred Taxation</i>	(9.49)	0.26	74.93	3.57	79.86
11	<i>Excess of Income Tax of earlier years</i>	(25.43)	-	(23.40)	-	-
12	<i>Net Profit</i>	376.15	481.03	1048.49	1188.75	1517.36
12	<i>Paid-up Equity Share Capital</i>	620.08	620.08	620.08	620.08	620.08
13	<i>Reserves & Surplus (Excluding revaluation reserves)</i>	-	-	-	-	5220.94
14	<i>Basic and diluted EPS for the period, year to date and for the previous year</i>	6.07	7.76	16.91	19.17	24.47
15	<i>Aggregate of Non-Promoter shareholding</i>					

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(a) No. of Shares	23,05,074	16,12,375	23,05,074	16,12,375	16,35,475
(b) Percentage of Shares	37.17	26.00	37.17	26.00	26.38

Notes:

- 1. The above results were reviewed by the Audit Committee. The Board of Directors at its meeting held on 28th January, 2005 approved the above results and its release.*
- 2. Previous year's figures have been regrouped/rearranged wherever necessary.*
- 3. Disclosure relating to numbers of Complaints from investors during the quarter:*

Pending as 01.10.04	Received	Resolved	Pending as 31.12.04
Nil	8	8	Nil

- 4. In compliance with the Accounting standard 28 relating to " Impairment of Assets" issued by the ICAI, provision for impairment of assets, if any, as at 1st April, 2004 will be adjusted at the end of the financial year against opening balance of General Reserve.*



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5. *Granite division of the Company had an EPS of Rs.22.98 as at 31st December, 2004.*

6. *The Statutory Auditors of the Company M/s. Rao Reddy & BVS Prakash, Chartered Accountants have resigned and upon the recommendation of the Audit Committee of the Company, the Board has appointed S. Daga & Co., Chartered Accountants as the Statutory Auditors of the Company. To approve the appointment of S. Daga & Co., Chartered Accountants as the Statutory Auditors, the Company has convened an Extraordinary General Meeting on 14TH March, 2005.*

Segment-wise Revenue, Results and Capital Employed for the quarter and nine months ended 31ST DECEMBER, 2004

(Rs.In Lacs)

Particulars	Quarter ended 31.12.2004	Quarter ended 31.12.2003	Nine Months Ended 31.12.2004	Nine Months Ended 31.12.2003	Year ended 31.03.2004 (Audited)
<i>1. Segment Revenue</i>					
<i>a) Granites</i>	3456.95	3071.65	10043.41	7900.96	11178.38
<i>b) Apparels</i>	128.26	0.00	203.27	0.00	2.02
<i>Gross turnover</i>	3585.21	3071.65	10246.68	7900.96	11180.4

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<i>Less : Inter-segment revenue</i>	0.75	47.96	3.86	47.96	57.32
<i>Less : Excise Duty recovered on sales</i>	12.98	21.32	36.72	60.69	77.71
<i>Income from operations</i>	3571.48	3002.37	10206.10	7792.04	11045.37
2. Segment Results					
<i>a) Granites</i>	582.02	622.33	1826.39	1567.35	2148.65
<i>b) Apparels</i>	(30.52)	0.00	(156.96)	0.00	(1.09)
<i>Total</i>	551.50	622.33	1669.43	1567.35	2147.56
<i>Less : i) Interest</i>	188.27	94.59	509.42	282.08	397.39
<i>ii) Other un-allocable</i>	0.00	0.00	0.00	0.00	0.00
<i>Total Segment Profit Before Tax</i>	363.23	527.74	1160.01	1285.27	1750.17
<i>Less: i) Provision for current tax</i>	22.00	46.45	60.00	92.95	152.95
<i>ii) Provision for deferred tax</i>	(9.49)	0.26	74.92	3.57	79.86
<i>iii) Excess Income Tax of earlier years</i>	(25.43)	-	(23.40)	-	-
<i>Profit after tax</i>	376.15	481.03	1048.49	1188.75	1517.36



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3. Capital Employed (Segment Assets- Segment Liabilities)					
<i>a) Granites</i>	6073.81	5731.60	6073.81	5731.60	5139.25
<i>b) Apparels</i>	961.68	0.00	961.68	0.00	950.79
<i>c) Other Unallocable</i>	11.50	11.50	11.50	11.50	11.50
<i>Total Segment Capital Employed</i>	7046.99	5743.13	7046.99	5743.13	6101.54

By and on Behalf of the Board

Place: SECUNDERABAD

Date : 28th JANUARY, 2005

SD/-

GAUTAM CHAND JAIN

CHAIRMAN & MANAGING DIRECTOR