



POKARNA LIMITED

India's No. 1 granite company

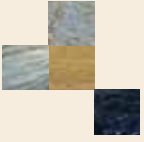


MAKING
IN INDIA,
SINCE 1991



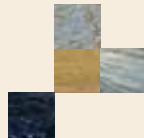
2455 - Ancient Beige
by

Quantra



Global Reach of Pokarna





*Includes subsidiary's reach
*Map not to scale

Contents

01

Chairman's
Address

Page 6

02

Corporate
Information

Page 8

03

Notice

Page 15

04

Directors'
Report

Page 25

05

Management
Discussion and
Analysis

Page 51

06

Corporate
Governance
Report

Page 61

07

Standalone
Auditor's Report

Page 74

08

Standalone
Balance Sheet

Page 78

09

Standalone
Statement of
Profit & Loss

Page 79

10

Standalone Cash
Flow Statement

Page 80

11

Standalone Notes
to Accounts

Page 83

12

Financial Information
of Subsidiary Company

Page 104

13

Consolidated
Auditor's Report

Page 105

14

Consolidated
Balance sheet

Page 107

15

Consolidated
Statement of
Profit & Loss

Page 108

16

Consolidated
Cash Flow
Statement

Page 109

17

Consolidated Notes
to Accounts

Page 112

18

Attendance Slip &
Proxy form

Page 133

2456 - Brown Leaf
by

Quantra

01 Chairman's Address

Dear Shareholders,

It gives me great pleasure to report an excellent year for your Company, which saw improved performance across a number of fronts. In FY 2014-15, Pokarna maintained its positive trend of the past few years: Robust sales growth for Granite & Quartz driven by our commitment towards offering the finest and the latest designs for our clients backed by superior quality process.

Before I begin discussing the key operational developments, let me briefly run you through the financial highlights across all our segments namely Granite, Apparels and Quartz. The Granite Division garnered revenues worth ₹ 183 crore as against ₹ 155 crore, growth of 18%, while reporting PBIT of ₹ 47.56 crore as against ₹ 30 core of previous year FY14. Performance of Apparels Division continued to remain soft, having generated revenues of ₹ 7 crore during the year as against ₹ 14 crore during FY14. Quartz segment reported a strong performance with revenue growth of 120% for the year following revenue and PBIT of ₹ 135.73 crore and ₹ 31.63 crore.

Your Company's passion for producing the best stone surfaces has resulted in developing a strong brand connect with its customers across globe. Further, the Company's ability in manufacturing quality products across price-point, has enabled it to become a strong player in the industry. It is this fusion of passion and capability that has empowered us to meet our goals even during challenging times.

Knowing that innovation is core to the businesses success, your Company undertakes the necessary measures towards strengthening its R&D capabilities with a mission to develop top quality design and optimize the cost efficiencies of our manufacturing processes. Further, India especially, Andhra Pradesh and Telangana being home to some of the best

stone quarries offers an attractive cost benefit to the Company by offering easy access to raw material of preeminent quality.

Your Company is also undertaking steps towards widening its presence and improving its brand visibility across its existing and new targeted markets. We are working towards designing and implementing a prudent marketing strategy, focused on meeting the interest of all participants in the eco-system ranging from fabricators, developers, contractors, kitchen retailers, builders, architects and designers and not restricting it to end-users alone. Further, the Company, in line with requisite laws, is also engaging with the investment community in an endeavor towards enhancing understanding and visibility of Pokarna's business. Lastly, I believe that it is the consistently improving performance of the Company which will help strengthen its perception in the eyes of the business and investment community.

Your Company is taking steps towards widening and strengthening its Quartz surface distribution reach. Our agreement with Dekker Zevenhuizen B.V for distribution of captive brand during the year is amongst the many steps taken by us towards improving the brand accessibility besides firming up its depth in the market. Pokarna is striving towards creating a healthy mix of owned and third party distributors across key regions to help develop its business.

I would also like to take this opportunity to highlight our commitment towards protecting and safeguarding the environment. Your Company takes utmost efforts towards ensuring minimum impact. The Company rigorously scrutinizes its production process from a health, safety and environmental point of view. It is such dedication which has resulted in your Subsidiary Company being the first Quartz surfaces manufacturer in the country to have been awarded the GREENGUARD and GREENGUARD GOLD certification.



The future is bright. Engineered stone or Quartz is increasingly becoming the material of choice in developed markets and is also gaining traction in relatively nascent markets like India. Our Granite business too continues to grow steadily. I believe this is a reflection of the strong expertise we have built of this material and the markets. I look forward to continued future growth.

Lastly, I would like to thank you all our employees, who have played a key role in Company's performance. I would also like to thank our business partners, vendors and other business associates. Finally I would like to thank all our shareholders for their unrelenting support.

Yours sincerely,

Gautam Chand Jain

Chairman & Managing Director, Pokarna Limited





Corporate Information

BOARD OF DIRECTORS

Mr. Gautam Chand Jain, Chairman & Managing Director

Mr. Prakash Chand Jain, Non-Executive Director

Mr. Meka Yugandhar, Independent Director

Mr. Thati Venkataswamy Chowdary, Independent Director

Mr. Vinayak Rao Juvvadi, Independent Director

Mr. Mahender Chand, Independent Director

Mr. Dhanji Lakhamsi Sawla, Independent Director

Mr. Rahul Jain, Executive Director

Mrs. Apurva Jain, Executive Director

STATUTORY AUDITORS

M/s. S. Daga & Co., Chartered Accountants, Hyderabad

INTERNAL AUDITOR

Mr. M. Murali Jaganmohan, Chartered Accountant, Hyderabad

COST AUDITORS

M/s DZR & Co, Cost Accountants, Hyderabad

SECRETARIAL AUDITOR

Mr. K .V. Chalama Reddy, Company Secretary, Hyderabad

CHIEF FINANCIAL OFFICER

Mr. M. Viswanatha Reddy

COMPANY SECRETARY

Mr. Vinay Paruchuru

LISTED ON

Bombay Stock Exchange Limited (BSE)

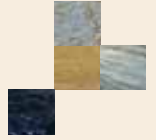
Scrip code: 532486

REGISTRAR AND SHARE TRANSFER AGENTS

M/s. Karvy Computershare Private Limited,
Karvy Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda, Hyderabad – 500 032

BANKERS

Union Bank of India, Khairatabad, Hyderabad



REGISTERED OFFICE

105, First Floor, Surya Towers, Sardar Patel Road,
Secunderabad - 500 003, Telangana State, India.

Tel: +91 40-27842182, 27844101, 66266777.

Fax: +91 040-2784 2121

Email: contact@pokarna.com

Website: www.pokarna.com,

CIN: L14102TG1991PLC013299

FACTORIES

GRANITE DIVISION

Unit - I

Survey No.123, Tooprantpet (Village),
Choutuppal (Mandal), Nalgonda (District),
Telangana State.

Unit - II

Survey No. 563, 568 & 574,
Aliabad Village, Shameerpet, (Mandal),
R.R. District, Telangana State.

APPAREL DIVISION

Survey No: 33, 39, 50, 51, 55, 68 & 69,
Apparels Export Park, Gundla Pochampally Village,
Medchal Mandal, R.R. District, Telangana State.

QUARTZ SURFACES

Pokarna Engineered Stone Limited
Plot. No: 45, APSEZ, Achutapuram
Rambilli Mandal, Vishakapatnam District,
Andhra Pradesh.



MARKETING

INITIATIVES





Financial highlights (Consolidated) for F.Y. 2014-15

41.50%

Revenue
(Increase in percentage)

91.20%

EBITDA
(Increase in percentage)

168.57%

PAT
(Increase in percentage)

50.58

EPS (Rs)

3.00

Dividend per share (Rs.)



Xiamen Stone Fair - China



Coverings - USA



KBIS - USA

Khoday Tower - Bangalore



Prestige Tech Park II - Bangalore



PROJECTS

Supplies to Marquee projects



Reliance ADAG, HQ - Mumbai



Market One - Oakland, USA

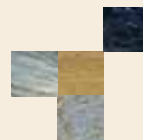
Forum Sujana Mall - Hyderabad



Bella Vista - Chennai



Golfshire - Bangalore



Executive Director's

Message

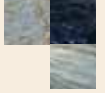
“Our vision is to transform Pokarna Ltd., into a marquee brand in stone surface industry in both global and domestic market. We are sprucing up our product portfolio by developing & introducing multiple shades and designs across businesses, stepping up efforts towards increasing brand visibility, entering into strategic partnerships with renowned players for expanding our product reach.

Safeguard of the environment is another priority area for us. The GREENGUARD certification received for subsidiary products, during the year under review is a reflection of our commitment to continually provide sustainable and healthy products”.



Rahul Jain





POKARNA LIMITED
India's No. 1 granite company

May 25, 2015

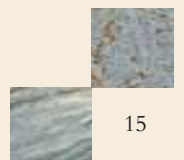
Dear member,

You are cordially invited to attend the 24th Annual General Meeting of the members of Pokarna Limited ('the Company') to be held on Monday, August, 10th, 2015 at 10.30 a.m. IST at AVASA Hotel, Plot No: 15,24,25 & 26 Sector - 1, Survey No: 64, Huda Techno Enclave, Madhapur, Hyderabad-500081.

The Notice of the meeting, containing the business to be transacted, is enclosed herewith. As per Section 108 of the Companies Act, 2013, read with the related Rules, the Company is pleased to provide its members the facility to cast their vote by electronic means on all resolutions set forth in the Notice. The instructions for remote e-voting are being forwarded along with the copy of Annual Report.

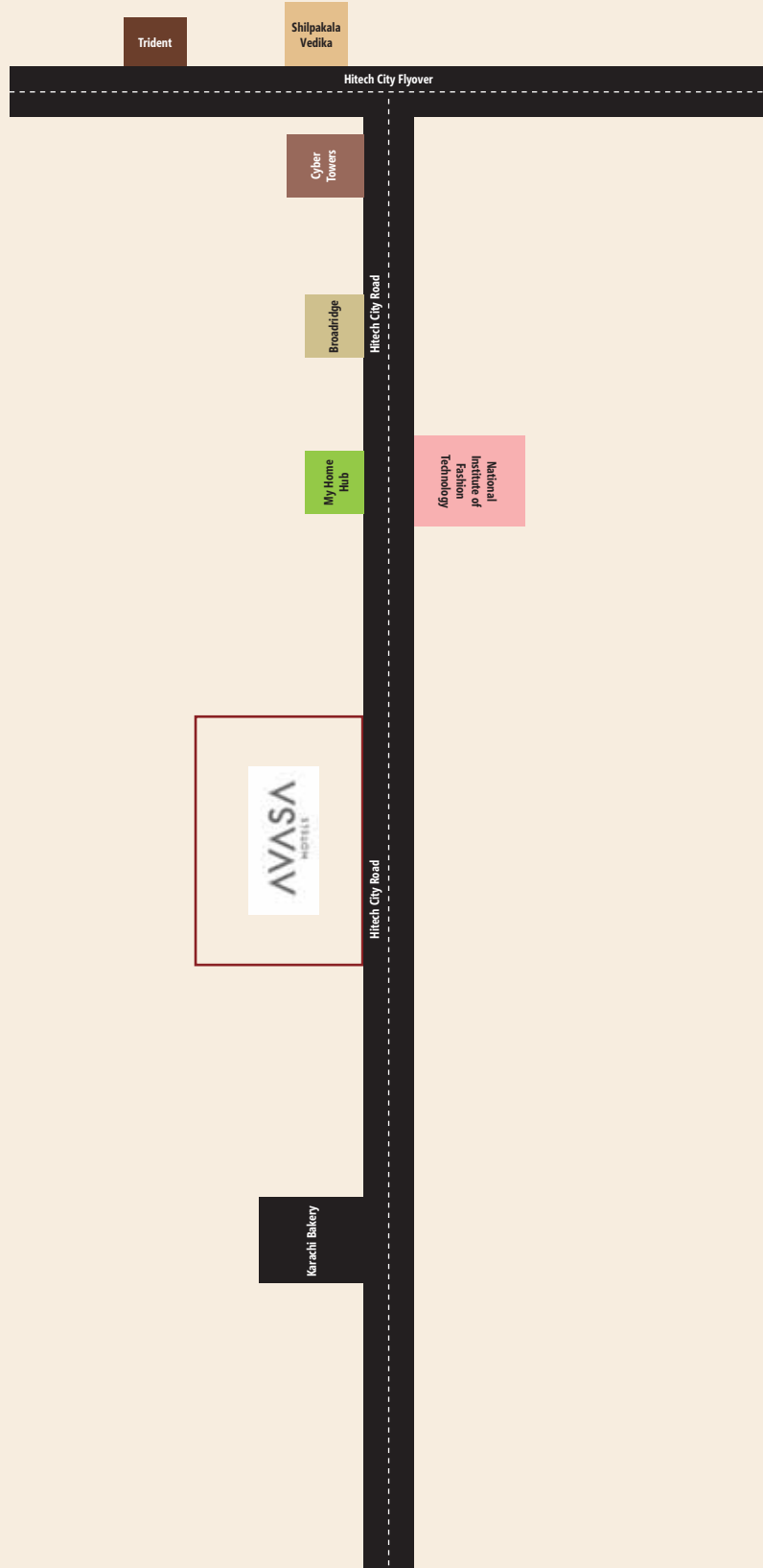
Very truly yours,

Your Board of Directors





Map for AGM Venue





NOTICE OF THE TWENTY FOURTH ANNUAL GENERAL MEETING



Notice is hereby given that the 24th Annual General Meeting of Members of Pokarna Limited, will be held on Monday, 10th August, 2015, at 10.30 a.m., at AVASA Hotel, Plot No: 15,24,25 & 26 Sector - 1, Survey No: 64, Huda Techno Enclave, Madhapur, Hyderabad-500081, to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited standalone and consolidated financial statements of the Company for the financial year ended 31st March, 2015, the reports of the Board of Directors and Auditors of the Company thereon.
2. To declare final dividend.
3. To appoint a Director in place of Mr. Prakash Chand Jain (DIN:00084490), who retires by rotation and being eligible, offers himself for re-appointment.
4. To reappoint M/s. S. Daga & Co.,(Registration No. 000669S), Chartered Accountants, Hyderabad as Statutory Auditors of the company, to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and authorize Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

5. To consider revision in remuneration payable to Mr. Gautam Chand Jain, Chairman & Managing Director (DIN: 00004775) of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof), read with Schedule V to the Companies Act, 2013 and in partial modification of the relevant resolution passed at the Annual General Meeting of the Company held on 17th September, 2013 consent of the Company be and is hereby accorded to the revision in the remuneration of Mr. Gautam Chand Jain (DIN:00004775), Chairman & Managing Director of the Company, w. e. f. 01.04.2015 on the remuneration, terms and conditions as recommended by the nomination and remuneration committee and as set out in the explanatory statement annexed to the notice, for the remaining period of his tenure up to i.e. 30th June, 2018;

RESOLVED FURTHER THAT except for the aforesaid revision in salary, all other terms and conditions of his appointment as the Chairman and Managing Director of the Company, as approved by the resolution passed at the Annual General Meeting of the Company held on 17th September, 2013, shall remain unchanged;

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to alter or vary the scope of remuneration of Mr. Gautam Chand Jain, Chairman and Managing Director, including the monetary value thereof, to the extent recommended by the nomination and remuneration committee from time to time as may be considered appropriate, subject to the overall limits specified by this resolution and the Companies Act, 2013”;

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to perform and execute all such acts, deeds, matters and things, as may be deemed necessary, proper or expedient to give effect to this resolution and for the matters connected herewith or incidental hereto”.

6. To consider revision in remuneration payable to Mr. Rahul Jain (DIN: 00576447), Executive Director of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof), read with Schedule V to the Companies Act, 2013 and in partial modification of the relevant resolution passed at the Annual General Meeting of the Company held on 15th September, 2012, consent of the Company be and is hereby accorded to the revision in the remuneration of Mr. Rahul Jain (DIN: 00576447), Executive Director of the Company, w. e. f. 01.04.2015 on the remuneration, terms and conditions as recommended by the nomination



and remuneration committee and as set out in the explanatory statement annexed to the notice, for the remaining period of his tenure i.e. up to 30th July, 2017;

RESOLVED FURTHER THAT except for the aforesaid revision in salary, all other terms and conditions of his appointment as the Executive Director of the Company, as approved by the resolution passed at the Annual General Meeting of the Company held on 15th September, 2012, shall remain unchanged;

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to alter or vary the scope of remuneration of Mr. Rahul Jain, Executive Director, including the monetary value thereof, to the extent recommended by the nomination and remuneration committee from time to time as may be considered appropriate, subject to the overall limits specified by this resolution and the Companies Act, 2013”;

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to perform and execute all such acts, deeds, matters and things, as may be deemed necessary, proper or expedient to give effect to this resolution and for the matters connected herewith or incidental hereto”.

7. To approve the remuneration of the Cost Auditors for the financial year ending March 31, 2015 and 2016 and in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 148 of the Companies Act, 2013 the remuneration of Messrs DZR & Co., Cost Accountants, appointed by the Board of Directors (“the Board”) as the Cost Auditors to conduct audit of Cost Records maintained by the Company in respect of quarry operations for the financial year 2014-15 at 1,00,000/- plus service tax as applicable, and reimbursement of out-of-pocket expenses incurred/to be incurred be and is hereby ratified;

“RESOLVED THAT pursuant to the provisions of Section 148 of the Companies Act, 2013 the remuneration of Messrs DZR & Co., Cost Accountants, appointed by the Board of Directors (“the Board”) as the Cost Auditors to conduct audit of Cost Records maintained by the Company in respect of quarry operations for the financial year 2015-16 at 1,00,000/- plus service tax as applicable, and reimbursement of out-of-pocket expenses incurred/to be incurred be and is hereby ratified;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution”.

8. To Alter/substitute the Articles of Association of the Company and in this regard, to consider and if thought fit, to pass the following resolution as Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), a new set of Articles of Association, placed before the Members, be and is hereby adopted and substituted in place of the existing Articles of Association of the Company;

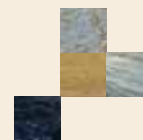
RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to perform and execute all such acts, deeds, matters and things, as may be deemed necessary, proper or expedient to give effect to this resolution and for the matters connected herewith or incidental hereto”.

By order of the Board

Date : 25.05.2015
Place : Secunderabad

Vinay Paruchuru
Company Secretary

Registered Office:
105, First Floor, Surya Towers,
S. P. Road,
Secunderabad- 500 003.
CIN : L14102TG1991PLC013299
Tel : +91 40-27842182 Fax: +91 40-2784 2121
Email : contact@pokarna.com
Website : www.pokarna.com



NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE “MEETING”) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.
3. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
4. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
5. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Relevant documents referred to in the accompanying Notice and the Statements are open for inspection by the members at the Registered Office of the Company on all working days, during business hours up to the date of the Meeting.
8. a) The Register of Members and Share Transfer books shall be closed from **04th August, 2015 to 10th August, 2015** both days inclusive, for determining the names of members eligible for dividend on Equity Shares, if declared at the meeting.
b) The dividend on Equity Shares, if declared at the Meeting, will be credited / dispatched between **11th August, 2015 and 09th September, 2015** to those members whose names shall appear on the Company’s Register of Members on **04th August, 2015**; in respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.
c) The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the Meeting.
9. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. Therefore you are requested to advise the Depository Participants (DP), to update the changes in bank particulars or bank mandates, if any and also submit the Permanent Account Number (“PAN”) details to DP’s, if not submitted till date.
10. Members holding shares in physical form are requested to advise the Company / Karvy to update the changes in addresses or bank mandates, if any and also submit the PAN details, if not submitted till date.
11. Pursuant to the provisions of Companies Act, 2013, the Company has transferred the unpaid or unclaimed dividends for the financial years ending up to 2006-07 from time to time on due dates, to the Investor Education and Protection Fund (the IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on



September, 15th, 2014 (date of last Annual General Meeting) on the website of the Ministry of Corporate Affairs and of the Company.

Members who have not en-cashed the dividend warrant(s) so far for the financial years ended 31st March, 2008 and 2014 are requested to make their claim to the Company at its Registered Office. It may also be noted that once the unclaimed dividend is transferred to the Investor Education and Protection Fund (IEPF) no claim shall lie in respect thereof with the Company.

12. Members can avail the facility of nomination in respect of shares held by them, by filing the prescribed form, which can be availed from Karvy/DP.
13. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Karvy, for consolidation into single folio.
14. Electronic Copy of the Annual Report for 2014-15 is being sent to all the members whose email IDs are registered with the Company/DP's for communication. For members who have not registered their email address, physical copies of the Annual Report for 2015 is being sent in permitted mode. The Annual Report may also be accessed in the Company's Website www.pokarna.com.
15. Pursuant to Section 108 of Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members' facility to exercise their right to vote at the AGM by electronic means/other permitted means and the business may be transacted through remote e-voting services provided by Karvy.
16. The Notice of Remote e-voting containing login ID and password for e-voting along with process, manner and instructions for e-voting is being sent to the members along with the copy of the Notice.
17. The Company has appointed Mr. K.V. Chalama Reddy, Practicing Company Secretary (C.P.No. 5451), as Scrutinizer for conducting the e-voting process for the Meeting in a fair and transparent manner.
18. Members are requested to send in their queries at least a week in advance to the Company Secretary at the Registered Office of the Company to facilitate clarifications during the meeting.
19. Brief Profile of Mr. Prakash Chand Jain, Director who retires by rotation and being eligible, offers himself for re-appointment:

S. No.	Particulars	Details
1.	Date of Birth	27 th July, 1959
2.	Date of Appointment	09-10-1991
3.	Expertise in specific functional areas	General Management
4.	Qualifications	Bachelor in Commerce
5.	Names of the Companies in which the Directors hold the Directorships/ Memberships of Board Committees:	1) Pokarna Limited 2) Pokarna Engineered Stone Limited 3) Pokarna Marketing Limited 4) Pokarna Fabrics Limited 5) Pokarna Natural Resources Limited
6.	Chairmanship/ Membership of Committees (across all public limited Companies)	Member of Remuneration Committee of the company.
7.	No. of Equity shares held in the Company as on 31 st March, 2015	5,00,000



STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 (THE “ACT”)

ITEM.NO. 5: It is proposed to revise the remuneration payable to Mr. Gautam Chand Jain, Chairman & Managing Director (DIN: 00004775) of the Company, with effect from 01st April, 2015, for the remaining period of his tenure, as detailed below:

1. Salary: Max. of ₹ 10,00,000 (Ten Lacs) per month.
2. Perquisites: In addition to the above Salary, Mr. Gautam Chand Jain, Chairman & Managing Director shall be entitled to the following perquisites, which shall not exceed ₹ 2,50,000 per month (in terms of value);
 - a. Residential Accommodation: Chairman & Managing Director shall be provided free furnished residential accommodation with free use of all the facilities and amenities provided by the Company.
 - b. Medical Reimbursement: Reimbursement of actual medical expenses incurred by the Managing Director and his family.
 - c. Club Fees: Actual fees of clubs will be paid by the Company.
 - d. Personal Accident Insurance: Actual premium to be paid by the Company.
 - e. Car: Facility of one car with driver.
 - f. Telephone: Free telephone facility at residence including mobile phone.
 - g. Contribution to provident and superannuation funds: Company's contribution to Provident and Superannuation Funds will be as per the rules of the Company.
 - h. Gratuity: Not exceeding half months' salary for each completed year of service.
 - i. Reimbursement of entertainment and all other expenses incurred for the business of the Company as per rules of the Company.
 - j. Other Allowance/benefits/perquisites: Any other allowance, benefits and perquisites as per the Rules applicable to senior executives of the Company and/or which may be applicable in the future and/or any other allowance, benefit, perquisite as the Board of Directors may decide from time to time.
 - k. Leave Travel Concession: For the Chairman & Managing Director and his family once in a year incurred in accordance with any rules specified by the Company.
3. Explanation:
 - (i) For the aforesaid purposes “Family” means the spouse, the dependent children and dependent parents of the Managing Director.
 - (ii) Perquisites shall be evaluated as per income Tax Rules, 1962, wherever applicable and in the absence of any such rules, perquisites shall be valued at actual cost.
 - (iii) The remuneration set out above will be paid on a monthly basis in accordance with Company's policies.
4. Commission:

As the Board of Directors of the Company may, upon recommendation or, if required, approval of the Nomination and Remuneration Committee, at their sole discretion approve, from time to time, payment of commission, payable quarterly or at other intervals, as may be decided by the Board.
5. Overall Remuneration:

The aggregate remuneration in any financial year shall not exceed the limits prescribed from time to time under Sections 197, 198 and other applicable provisions of the Companies Act, 2013 read with Schedule V to the said Act, as may, for the time being, be in force.
6. Minimum Remuneration:

In the event of loss or inadequacy of profits, in any financial year during the currency of tenure of service, the payment of remuneration shall be governed by the limits prescribed under Section II, III, IV of Part II of Schedule V to the Companies Act, 2013, including any statutory modification or re-enactment thereof, as may, for the time being, be in force”.

**Approval:**

Accord is sought for revision of the remuneration, as specified in the resolution at Item. No.5, of the Notice convening the Annual General Meeting of the Company.

The proposed revision of remuneration is approved by the Board of Directors, during the board meeting held on 25th May, 2015, based on the recommendation of the Nomination & Remuneration Committee.

Concern or Interest:

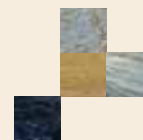
Except Mr. Gautam Chand Jain, Chairman & Managing Director and his relatives, none of the other Directors or Key Managerial Personnel or their relatives are interested in the proposed resolution financially or otherwise.

Further Mr. Prakash Chand Jain, Director, Mr. Rahul Jain, Executive Director and Mrs. Apurva Jain, Executive Director are the relatives of Mr. Gautam Chand Jain as per the Companies Act, 2013.

The Board commends the Ordinary Resolution set out at Item no. 5 for the approval of Members.

ITEM.NO. 6: It is proposed to revise the remuneration payable to Mr. Rahul Jain (00576447), Executive Director of the Company, with effect from 01st April, 2015, for the remaining period of his tenure, as detailed below:

1. Salary: Max. of ₹ 10,00,000 (Ten Lacs) per month.
2. Perquisites: In addition to the above Salary, Mr. Rahul Jain, Executive Director shall be entitled to the following perquisites, which shall not exceed ₹ 2,50,000 per month (in terms of value);
 - a. Residential Accommodation: Executive Director shall be provided free furnished residential accommodation with free use of all the facilities and amenities provided by the Company.
 - b. Medical Reimbursement: Reimbursement of actual medical expenses incurred by the Executive Director and his family.
 - c. Club Fees: Actual fees of clubs will be paid by the Company.
 - d. Personal Accident Insurance: Actual premium to be paid by the Company.
 - e. Car: Facility of one car with driver.
 - f. Telephone: Free telephone facility at residence including mobile phone.
 - g. Contribution to provident and superannuation funds: Company's contribution to Provident and Superannuation Funds will be as per the rules of the Company.
 - h. Gratuity: Not exceeding half months' salary for each completed year of service.
 - i. Reimbursement of entertainment and all other expenses incurred for the business of the Company as per rules of the Company.
 - j. Other Allowance/benefits/perquisites: Any other allowance, benefits and perquisites as per the Rules applicable to senior executives of the Company and/or which may be applicable in the future and/or any other allowance, benefit, perquisite as the Board of Directors may decide from time to time.
 - k. Leave Travel Concession: For the Executive Director and his family once in a year incurred in accordance with any rules specified by the Company.
3. Explanation:
 - (i) For the aforesaid purposes "Family" means the spouse, the dependent children and dependent parents of the Executive Director.
 - (ii) Perquisites shall be evaluated as per income Tax Rules, 1962, wherever applicable and in the absence of any such rules, perquisites shall be valued at actual cost.
 - (iii) The remuneration set out above will be paid on a monthly basis in accordance with Company's policies.



4. Commission:

As the Board of Directors of the Company may, upon recommendation or, if required, approval of the Nomination and Remuneration Committee, at their sole discretion approve, from time to time, payment of commission, payable quarterly or at other intervals, as may be decided by the Board.

5. Overall Remuneration:

The aggregate remuneration in any financial year shall not exceed the limits prescribed from time to time under Sections 197, 198 and other applicable provisions of the Companies Act, 2013 read with Schedule V to the said Act, as may, for the time being, be in force.

6. Minimum Remuneration:

In the event of loss or inadequacy of profits, in any financial year during the currency of tenure of service, the payment of remuneration shall be governed by the limits prescribed under Section II, III, IV of Part II of Schedule V to the Companies Act, 2013, including any statutory modification or re-enactment thereof, as may, for the time being, be in force”.

Approval:

Now accord is sought for revision of the remuneration, as specified in the resolution at Item. No.6, of the Notice convening the annual general meeting of the Company.

The proposed revision of remuneration is approved by the Board of Directors, during the board meeting held on 25th May, 2015, based on the recommendation of the Nomination & Remuneration Committee.

Concern or Interest:

Except Mr. Rahul Jain, Executive Director and his relatives, none of the other Directors or Key Managerial Personnel or their relatives are interested in the proposed resolution financially or otherwise.

Further Mr. Gautam Chand Jain, Chairman & Managing Director and Mrs. Apurva Jain, Executive Director are the relatives of Mr. Rahul Jain as per the Companies Act, 2013.

The Board commends the Ordinary Resolution set out at Item no. 6 for the approval of Members.

Item.No.7: The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of Messrs. DZR & Co., Cost Accountants to conduct the audit of the cost records in respect of the applicable operations (viz. quarry operations) for the financial year 2014-15 and 2015-16.

In terms of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration of the Cost Auditors needs ratification by the Members. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 7 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial years ending March 31, 2015 and 2016.

None of the Directors / Key Managerial Personnel of the Company / their relatives is in any way, concerned or interested, financially or otherwise, in the said resolution.

The Board commends the Ordinary Resolution set out at Item no. 7 for the approval of Members.

Item.No.8: The Articles of Association of the Company currently in force were originally adopted when the Company was incorporated under the Companies Act, 1956. The Articles of Association were amended from time to time in accordance with the provisions of the Companies Act, 1956.

With the introduction of the Companies Act, 2013, it is proposed to amend the existing Articles of Association to make it consistent with the provisions of Companies Act, 2013 including the Rules framed there under.

A copy of the proposed set of new Articles of Association of the Company would be available for inspection at the Registered Office of the Company during the business hours on any working day, up to the date of the Annual General Meeting and during the Annual General Meeting. The proposed draft Articles of Association is available on the Company's website at www.pokarna.com for perusal by the shareholders.



None of the Directors or Key Managerial Personnel and the relatives, are concerned or interested (financially or otherwise) in this Resolution.

The Board commends the Special Resolution set out at Item no. 8 for the approval of Members.

By order of the Board

Date : 25.05.2015
Place : Secunderabad

Vinay Paruchuru
Company Secretary

Registered Office:
105, First Floor, Surya Towers,
S. P. Road,
Secunderabad- 500 003.
CIN : L14102TG1991PLC013299
Tel: +91 40-27842182 Fax: +91 40-2784 2121
Email : contact@pokarna.com
Website : www.pokarna.com

04

Directors' Report

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DIRECTORS' REPORT TO THE SHAREHOLDERS

Dear Members,

Your Directors are pleased to present the 24th Annual report together with the audited accounts of your company for the financial year ended 31st March, 2015. The summarized consolidated and standalone financial performance of your company is as under;

STATE OF AFFAIRS

(Amount ₹ in Lacs)

Particulars	Standalone		Consolidated	
	2014-15	2013- 14	2014-15	2013- 14
Total income	19593.36	17049.25	33350.81	23170.70
Less-expenditure	17061.48	16325.25	29809.59	23643.50
Profit/(Loss) Before tax and extra-ordinary items	2531.88	724.00	3541.22	(472.80)
Total tax expenses	906.39	236.13	1197.03	(892.89)
Extra-ordinary item (refer note. 2.23 in consolidated financial statements).	-	-	791.96	747.63
Profit after tax and Extra-ordinary item	1625.49	487.87	3136.15	1167.72
Balance of Profit & Loss account, brought forward.	6218.55	2877.12	(592.30)	(4613.58)
Amount transferred from FCCB redemption Reserve	1479.05	3035.26	1479.05	3035.26
Amount transferred to General Reserve	-	36.60	-	36.60
Proposed dividend (including tax)	223.89	145.10	223.89	145.10
Adjustment of carrying amount of assets (net of tax) pursuant to enactment of Schedule – II to the Companies Act, 2013	173.65	-	184.12	-
Balance carried to balance sheet	8925.55	6218.55	3614.89	(592.30)

FOREIGN CURRENCY CONVERTIBLE BONDS (FCCB's):

During the year under review company has redeemed the last leg of its Foreign Currency Convertible Bond (FCCB) offering (face value of USD 2.461 million) as per the negotiated terms with the said bond holders. The gain / benefit, cost, charges including foreign exchange gain / loss at the close of the year are transferred to Pokarna Engineered Stone Limited (subsidiary) as per the Scheme of Arrangement sanctioned by Hon'ble Andhra Pradesh High Court and agreement thereto.

DIVIDEND

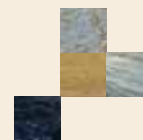
Looking into the improved financial performance, the Board of Directors is pleased to recommend dividend of ₹ 3/- (30%) per Equity share having face value of ₹ 10/- each for the year ended 31st March, 2015. The dividend payout for the year under review, inclusive of Tax on Dividend distribution, is ₹ 223.89 Lacs, resulting in a pay-out of 13.77% of the profits of the Company on a stand-alone basis.

TRANSFER TO RESERVES:

During the year under review, Company has not transferred any amount to reserves.

NUMBER OF BOARD MEETINGS

During the year under review 7 (Seven) Board meetings were held, the details of which are mentioned in the report on Corporate Governance, annexed to this report.



KEY MANGERIAL PERSONNEL

During the year under review:

- Mr. Rahul Jain, who retired at the 23rd Annual general meeting of the Company, held on 15th September, 2014, was re-appointed in the said meeting.
- Ms. Apurva Jain, was appointed as Executive Director of the Company, with effect from 09th August, 2014.
- Mr. Viswanath Reddy, Chief Financial Officer and Mr. Vinay Paruchuru, Company Secretary of the Company, were designated as Key Managerial Personnel, pursuant to provisions of Companies Act, 2013.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013, your directors confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with the proper explanation relating to the material departures, if any.
- such accounting policies have been selected and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;
- proper and sufficient care have been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- the annual accounts are prepared on a going concern basis.
- proper internal financial controls had been laid down, to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- proper systems had been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

PERFORMANCE OF SUBSIDIARY

Wholly owned subsidiary of the Company M/s. Pokarna Engineered Stone Limited, manufactures and sells artificial/engineered Stone, under the brand "Quantra" Natural Quartz Surfaces, from Pokarna.

Statement containing the salient features of the financial statement of the Subsidiary Company are contained in Note 2.35 of the Standalone financial statements.

The Policy for determining material subsidiaries as approved may be accessed on the Company's website at the link: <http://goo.gl/AkiKD0>

AUDIT COMMITTEE

In terms of the requirement of clause 49 of the listing agreement with the Bombay Stock Exchange and Section 177 of the Companies Act, 2013, your company has constituted Audit committee. The composition of the committee & other details are given in the corporate governance report which forms part of this annual report.

CORPORATE GOVERNANCE

Your company is committed to maintain the highest standards of corporate governance. As required under Clause 49 of the listing agreement with the Bombay Stock Exchange, a report on corporate governance as well as Auditors certificate on the compliance of conditions on corporate governance are annexed and form part of this annual report.

All board members and senior management personnel have affirmed compliance with the Code of conduct for the year 2014-15. A declaration to this effect signed by the Chairman & Managing Director of your company is annexed to this annual report.

MANAGEMENT DISCUSSION AND ANALYSIS

'Management's Discussion and Analysis Report' is provided in a separate Section and forms part of this annual report.



CONSOLIDATED FINANCIAL STATEMENT

In accordance with the Companies Act, 2013 (“the Act”) and Accounting Standard (AS) – 21 on Consolidated Financial Statements, the audited consolidated financial statement is provided in the Annual Report.

STATUTORY AUDITOR

The Statutory Auditors of the Company, M/s. S. Daga & Co., Chartered Accountants (Reg. No. 000669S), retire at the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment as per the provisions of the Companies Act, 2013. The Audit Committee and the Board of Directors of the Company recommend the reappointment of S. Daga & Co., Chartered Accountants, as Statutory Auditors of the Company.

The Board has duly reviewed the Statutory Auditors Report on the Accounts. The Auditors without qualifying the report have made some observations, such observations are self explanatory and therefore do not call for any further comments or further explanation by the Board.

The attention of the shareholders is drawn to the “Emphasis of Matter” in the Auditors Report on consolidated financial statements of the Company, which is self explanatory.

SECRETARIAL AUDITOR

The board has appointed Mr. K.V. Chalamareddy, Practising Company Secretary, to conduct secretarial audit for the financial year 2014–15. the secretarial audit report for the financial year ended March 31, 2015 is annexed herewith marked as **Annexure IV** to this report. the secretarial audit report does not contain any qualification, reservation or adverse remark.

COST AUDITOR

The Company has appointed M/s. DZR & Co., Cost Accountants, as the Cost Auditors of the Company.

DIRECTORS

In accordance with the provisions of the Companies Act, 2013 Mr. Prakash Chand Jain, Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offered himself for re-appointment. Board of Directors recommends his re-appointment.

PARTICULARS OF EMPLOYEES

None of the employees of the company was in receipt of remuneration in excess of limits prescribed under Rule 5(2) read with Rule 5(3) of the Companies (Appointment Remuneration of Managerial Personnel) Rules, 2014.

DISCLOSURES RELATED TO REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

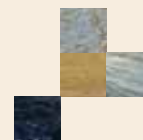
Disclosures required as per Section 197(12) of the Companies Act, 2013 read with Clause 5(1) of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, is annexed herewith marked as **Annexure III**.

CONSERVATION OF ENERGY AND TECHNOLOGY CONSUMPTION:

A. Conservation of Energy:

The Company has always been conscious of the need for conservation of energy and has been sensitive in making progress towards this initiative. The energy conservation efforts in the Company are being pursued on a continuous basis. Close monitoring of energy conservation is maintained to minimize wastage and facilitate optimum utilization of energy. Regular maintenance and repairs of all the equipment’s and machineries are carried out to ensure optimum efficiency. The other energy conservation measures taken are:

- plants are equipped with high energy efficiency motors and variable frequency drives.
- continuous monitoring of power factor.
- training and awareness programmes for employees were conducted for reducing energy waste.

**Steps taken by the company for utilizing alternate sources of energy:**

- Use of roof mounted self-driven ventilator in plant thereby enabling substantial saving in electrical energy. Roof mounted self-driven ventilators work on wind assisted ventilation.
- Use of sky lights in the plants to reduce need for lighting during daytime.

Capital investment on energy conservation equipments:

During the current financial year, the Company has not incurred any capital expenditure on the energy conservation equipment.

B. Technology absorption:

Our Technical team visits international markets to understand and explore the possibility of using such latest technology in production and processing of our products. Benefits derived as a result of the above efforts are in the areas of process simplification, cost reduction and quality improvement.

The Company has not imported any technology during the last three years. Hence, the particulars with respect to efforts made towards technology absorption and benefits derived etc. are not applicable to the Company

The Company during the year under review has not carried out any activity which can be construed as Research & Development and as of now there is no specific plan for engaging into such activities. As such, there is no expenditure to report.

FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year under review, the total standalone foreign exchange earnings was ₹ 13806.51 lacs and expenditure was ₹ 484.64 lacs.

INTERNAL FINANCIAL CONTROLS

The Company has in place adequate financial controls with reference to the financial statements. During the Financial year such controls were tested and no reportable material weakness in the design or operation were observed.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

During the year under review the Company has not made any loans or investments or provided any guarantee, pursuant to Section 186 of the Companies Act, 2013.

RISK MANAGEMENT POLICY

The Company has kept in place a risk management policy for the Company including the identification therein of elements of risks, if any, which in the opinion of the Board may threaten the existence of the company.

CORPORATE SOCIAL RESPONSIBILITY

In line with the provisions of the Companies Act, 2013 and rules made there under (“the Act”), a Corporate Social Responsibility (“CSR”) Committee has been formed by the Board of Directors, Mr. Gautam Chand Jain, Mr. Meka Yugandhar and Mr. Vinayak Rao Juvvadi are the members of the CSR Committee. Your Company has identified Health, Sanitation, Education and Environment as thrust areas for CSR activities.

The Annual Report on CSR activities is annexed herewith marked as *Annexure II*.

During the year under review Company has not spent the amount of ₹ 4,94,087/- out of the prescribed expenditure of ₹ 10,59,187/- (i.e. 2% of the average net profits). Company is cautious about identifying the projects, in order ensure that the projects are optimally benefitted to the society at large. Hence there was delay in identifying the suitable projects and spending the required amount, during the year. However, management is taking steps to spend the remaining amount along with the CSR expenditure to be incurred for the Financial Year 2015-16.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES:

All Contracts/arrangements/transactions entered by the Company during the financial year with related parties were in compliance of Section 188 of the Companies Act, 2013 read with Clause 49 of the Listing Agreement.



The policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link: <http://goo.gl/d4DC7f>

Your Directors draw attention of the Members to Note 2.27 of the financial statement which sets out the related party transactions.

POLICY ON VIGIL MECHANISM

The Policy on vigil mechanism/whistle blower policy may be accessed on the Company's website at the link: <http://goo.gl/VaWjyV>

EXTRACT OF ANNUAL RETURN

Extract of Annual Return of the Company is annexed herewith as *Annexure I* to this Report.

GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
4. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
5. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

ACKNOWLEDGEMENTS

Your Directors express their appreciation for the support, trust and co operation received from the banks, Government authorities, customers, suppliers, shareholders and other stakeholders during the year under review.

Your Directors acknowledge with gratitude the commitment and dedication of the employees at all levels, which has contributed to the growth and success of the company.

Your Directors look forward to the continued support from all of you in the years to come.

By order of the Board

Date : 25.05.2015
Place : Secunderabad

Gautam Chand Jain
Chairman & Managing Director
(DIN: 00004775)

Registered Office:
105, First Floor, Surya Towers,
S. P. Road,
Secunderabad- 500 003.
CIN : L14102TG1991PLC013299
Tel : +91 40-27842182 Fax: +91 40-2784 2121
Email : contact@pokarna.com
Website: www.pokarna.com



FORM NO. MGT-9

Annexure -I

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i) **CIN:** L14102TG1991PLC013299

ii) **Registration Date:** 09/10/1991

iii) **Name of the Company:** Pokarna Limited

iv) **Category / Sub-Category of the Company:** Company Limited by Shares / Indian Non-Government Company

v) **Address of the Registered office and contact details:**

105, 1st Floor, Surya Towers, Secunderabad, Telangana State – 500003, India.

Tel: +91 40-2789 7722, Fax: +91 40-2784 2121, Email: contact@pokarna.com Website: www.pokarna.com

vi) **Whether listed company:** Yes

vii) **Name, Address and Contact details of Registrar and Transfer Agent, if any:**

Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032, Ph: +91 4023312454

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Business activities contributing 10 % or more of the total turnover of the company:-

S. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Processing and sale of granite slabs	23960	65.22%
2.	Mining and sale of granite blocks	08102	30.64%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Pokarna Engineered Stone Limited	U17219TG2001PLC036015	Subsidiary	100%	2(87)

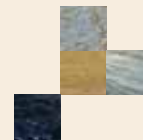


IV. SHARE HOLDING PATTERN (Equity Share Capital Break up and percentage of Total Equity):

(i) Category wise shareholding:

Category Code	Category of Shareholder	No. of shares held at the beginning of the year 31/03/2014				No. of shares held at the end of the year 31/03/2015				% Change during the year
		Demat (III)	Physical (IV)	Total (V)	% of Total Shares (VI)	Demat (VII)	Physical (VIII)	Total (IX)	% of Total Shares (X)	
(I)	(II)									(XI)
(A)	PROMOTER AND PROMOTER GROUP									
(1)	INDIAN									
(a)	Individual /HUF	3513777	0	3513777	56.67	3513777	0	3513777	56.67	0.00
(b)	Central Government/State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total A(1) :	3513777	0	3513777	56.67	3513777	0	3513777	56.67	0.00
(2)	FOREIGN									
(a)	Individuals (NRIs/Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total A(2) :	0	0	0	0.00	0	0	0	0.00	0.00
	Total A=A(1)+A(2)	3513777	0	3513777	56.67	3513777	0	3513777	56.67	0.00
(B)	PUBLIC SHAREHOLDING									
(1)	INSTITUTIONS									
(a)	Mutual Funds /UTI	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Financial Institutions /Banks	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00

Category Code	Category of Shareholder	No. of shares held at the beginning of the year 31/03/2014				No. of shares held at the end of the year 31/03/2015				% Change during the year
		Demat (III)	Physical (IV)	Total (V)	% of Total Shares (VI)	Demat (VII)	Physical (VIII)	Total (IX)	% of Total Shares (X)	
(I)	(II)									(XI)
(f)	Foreign Institutional Investors	0	0	0	0.00	116805	0	116805	1.88	1.88
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(1) :	0	0	0	0.00	116805	0	116805	1.88	1.88
(2)	NON-INSTITUTIONS									
(a)	Bodies Corporate	392284	0	392284	6.33	567310	0	567310	9.15	2.82
(b)	Individuals									
	(i) Individuals holding nominal share capital upto ₹ 1 lakh	567954	154546	722500	11.65	618106	117926	736032	11.87	0.22
	(ii) Individuals holding nominal share capital in excess of ₹ 1 lakh	1556439	0	1556439	25.10	1234713	0	1234713	19.91	-5.19
(c)	Others									
	CLEARING MEMBERS	8451	0	8451	0.14	21675	0	21675	0.35	0.21
	NON RESIDENT INDIANS	6149	1200	7349	0.12	9688	800	10488	0.17	0.05
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(2) :	2531277	155746	2687023	43.33	2451492	118726	2570218	41.45	-1.88
	Total B=B(1)+B(2) :	2531277	155746	2687023	43.33	2568297	118726	2687023	43.33	0.00
	Total (A+B) :	6045054	155746	6200800	100.00	6082074	118726	6200800	100.00	0.00
(C)	Shares held by custodians, against which Depository Receipts have been issued									
(1)	Promoter and Promoter Group									
(2)	Public	0	0	0	0.00	0	0	0	0.00	0.00
	GRAND TOTAL (A+B+C) :	6045054	155746	6200800	100.00	6082074	118726	6200800	100.00	





(ii) Shareholding of Promoters:

S. No.	Name of the Shareholder	No. of shares held at the beginning of the year			No. of shares held at the End of the year		
		No. of Shares	% of total shares of the Company	% of shares Pledged/en-cumbered to total shares	No Of Shares	% of total shares of the Company	% of shares Pledged/en-cumbered to total shares
1	Dilip Kumar Jain	500000	8.06	0.00	500000	8.06	0.00
2	Raaj Kumar Jain Kantilal	510150	8.23	0.00	510150	8.23	0.00
3	Ashok Chand Jain Kantilal	600000	9.68	0.00	600000	9.68	0.00
4	Prakash Chand Jain Kantilal	500000	8.06	0.00	500000	8.06	0.00
5	Gautam Chand Jain Kantilal	500000	8.06	0.00	500000	8.06	0.00
6	Neha Jain	100000	1.61	0.00	100000	1.61	0.00
7	Rahul Jain	100000	1.61	0.00	100000	1.61	0.00
8	Vidya Jain	100000	1.61	0.00	100000	1.61	0.00
9	Chaya Jain	100000	1.61	0.00	100000	1.61	0.00
10	Ritu Jain	100000	1.61	0.00	100000	1.61	0.00
11	Anju Jain	100000	1.61	0.00	100000	1.61	0.00
12	Rekha Jain	100000	1.61	0.00	100000	1.61	0.00
13	Harshitha Jain	25000	0.40	0.00	25000	0.40	0.00
14	Nidhi Jain	25000	0.40	0.00	25000	0.40	0.00
15	Pratik Jain	28627	0.46	0.00	28627	0.46	0.00
16	Ekta Jain	25000	0.40	0.00	25000	0.40	0.00
17	Sonal Jain	25000	0.40	0.00	25000	0.40	0.00
18	Sneha Jain	25000	0.40	0.00	25000	0.40	0.00
19	Megha Jain	25000	0.40	0.00	25000	0.40	0.00
20	Ria Jain	25000	0.40	0.00	25000	0.40	0.00
	Total	3513777	56.67	0.00	3513777	56.67	0.00

(iii) During the year under review there was no change in the promoter shareholding.

(iv) **Shareholding of Pattern of top ten shareholders (other than Directors, Promoters and holders of ADR's and GDR's) :**

S. No.	Name	Shareholding		Date	Increase/Decrease in Share holding	Reason	Cumulative shareholding during the year (01-04-14 to 31-03-2015)	
		No. of shares at the beginning (01-04-2014)	% of total shares of the Company.				No. of shares	% of total shares of the Company
1	Nemi Chand	300000	4.84	31/03/2014	Nil movement during the year		300000	4.84
				31/03/2015	300000		4.84	
2	Moulik Kishore Chand Bansal #	129055	2.08	31/03/2014			129055	2.08
				11/07/2014	-18000	Transfer	111055	1.79
				01/08/2014	-13426	Transfer	97629	1.57
3	Pramodbhai B Goradia#	99400	1.60	31/03/2014			99400	1.60
				14/11/2014	-49400	Transfer	50000	0.81
				21/11/2014	-30000	Transfer	20000	0.32
				28/11/2014	-20000	Transfer	0	0.00
				31/03/2015			0	0.00
4	Nainaben P Goradia#	99400	1.60	31/03/2014			99400	1.60
				25/04/2014	-3000	Transfer	96400	1.55
				06/06/2014	-12000	Transfer	84400	1.36
				01/08/2014	-6000	Transfer	78400	1.26
				08/08/2014	-5800	Transfer	72600	1.17
				22/08/2014	-1511	Transfer	71089	1.15
				29/08/2014	-1461	Transfer	69628	1.12
				31/10/2014	-1705	Transfer	67923	1.10
				07/11/2014	-28109	Transfer	39814	0.64
				14/11/2014	-39814	Transfer	0	0.00
				31/03/2015			0	0.00
5	Puneet Kishorechand Bansal#	89875	1.45	31/03/2014			89875	1.45
				11/07/2014	-16000	Transfer	73875	1.19



S. No.	Name	Shareholding		Date	Increase/Decrease in Share holding	Reason	Cumulative shareholding during the year (01-04-14 to 31-03-2015)	
		No. of shares at the beginning (01-04-2014)	% of total shares of the Company.				No. of shares	% of total shares of the Company
				01/08/2014	-20000	Transfer	53875	0.87
				21/11/2014	-53875	Transfer	0	0.00
				31/03/2015			0	0.00
6	Sarjivbhai Dhresh Kumar Shah	87288	1.41	31/03/2014			87288	1.41
				04/04/2014	1243	Transfer	88531	1.43
				11/04/2014	376	Transfer	88907	1.43
				18/04/2014	5668	Transfer	94575	1.53
				25/04/2014	13092	Transfer	107667	1.74
				02/05/2014	2715	Transfer	110382	1.78
				09/05/2014	1018	Transfer	111400	1.80
				16/05/2014	6000	Transfer	117400	1.89
				23/05/2014	16470	Transfer	133870	2.16
				30/05/2014	535	Transfer	134405	2.17
				06/06/2014	5932	Transfer	140337	2.26
				06/06/2014	-712	Transfer	139625	2.25
				13/06/2014	90	Transfer	139715	2.25
				18/07/2014	3832	Transfer	143547	2.31
				18/07/2014	-1732	Transfer	141815	2.29
				25/07/2014	-1000	Transfer	140815	2.27
				08/08/2014	3380	Transfer	144195	2.33
				15/08/2014	1100	Transfer	145295	2.34
				22/08/2014	1047	Transfer	146342	2.36
				29/08/2014	2775	Transfer	149117	2.40
				05/09/2014	6714	Transfer	155831	2.51
				17/10/2014	229	Transfer	156060	2.52

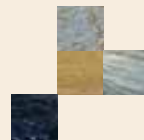
S. No.	Name	Shareholding		Date	Increase/Decrease in Share – holding	Reason	Cumulative shareholding during the year (01-04-14 to 31-03-2015)	
		No. of shares at the beginning (01-04-2014)	% of total shares of the Company.				No. of shares	% of total shares of the Company
				31/10/2014	1745	Transfer	157805	2.54
				19/12/2014	-3000	Transfer	154805	2.50
				30/01/2015	-6	Transfer	154799	2.50
				06/02/2015	-3000	Transfer	151799	2.45
				31/03/2015			153139	2.47
7	Harshadbhai B Goradia#	79600	1.28	31/03/2014			79600	1.28
				14/11/2014	-79600	Transfer	0	0.00
				31/03/2015			0	0.00
8	Kirambhai H Goradia#	79600	1.28	31/03/2014			79600	1.28
				21/11/2014	-74600	Transfer	5000	0.08
				28/11/2014	-3000	Transfer	2000	0.03
				05/12/2014	-2000	Transfer	0	0.00
				31/03/2015			0	0.00
9	Anurupa Nimish Vasa#	71650	1.16	31/03/2014			71650	1.16
				14/11/2014	-53757	Transfer	17893	0.29
				21/11/2014	-17893	Transfer	0	0.00
				31/03/2015			0	0.00
10	Gautam Chand Jain	70871	1.14	31/03/2014			70871	1.14
				23/05/2014	38	Transfer	70909	1.14
				06/06/2014	-100	Transfer	70809	1.14
				13/06/2014	-200	Transfer	70609	1.14
				20/06/2014	-500	Transfer	70109	1.13
				30/06/2014	-1100	Transfer	69009	1.11
				11/07/2014	-4009	Transfer	65000	1.05
				18/07/2014	-200	Transfer	64800	1.05





S. No.	Name	Shareholding		Date	Increase/Decrease in Share – holding	Reason	Cumulative shareholding during the year (01-04-14 to 31-03-2015)	
		No. of shares at the beginning (01-04-2014)	% of total shares of the Company.				No. of shares	% of total shares of the Company
				25/07/2014	-1200	Transfer	63600	1.03
				08/08/2014	-700	Transfer	62900	1.01
				15/08/2014	100	Transfer	63000	1.02
				07/11/2014	-2160	Transfer	60840	0.98
				14/11/2014	-6840	Transfer	54000	0.87
				21/11/2014	-14000	Transfer	40000	0.65
				28/11/2014	-5500	Transfer	34500	0.56
				05/12/2014	-6500	Transfer	28000	0.45
				31/03/2015			28000	0.45
11	Ashish Kacholia*	0	0.00	31/03/2014			0	0.00
				21/11/2014	184230	Transfer	184230	2.97
				28/11/2014	58270	Transfer	242500	3.91
				05/12/2014	12500	Transfer	255000	4.11
				12/12/2014	9892	Transfer	264892	4.27
				19/12/2014	21422	Transfer	286314	4.62
				06/03/2015	6000	Transfer	292314	4.71
				13/03/2015	1001	Transfer	293315	4.73
				27/03/2015	5000	Transfer	298315	4.81
				31/03/2015	5000	Transfer	303315	4.89
12	Premier Investment Fund Limited*	0	0.00	31/03/2014			0	0.00
				11/07/2014	96000	Transfer	96000	1.55
				01/08/2014	94413	Transfer	190413	3.07
				08/08/2014	5000	Transfer	195413	3.15
				21/11/2014	-68413	Transfer	127000	2.05
				05/12/2014	-7500	Transfer	119500	1.93

S. No.	Name	Shareholding		Date	Increase/Decrease in Share – holding	Reason	Cumulative shareholding during the year (01-04-14 to 31-03-2015)	
		No. of shares at the beginning (01-04-2014)	% of total shares of the Company.				No. of shares	% of total shares of the Company
				09/01/2015	-2500	Transfer	117000	1.89
				23/01/2015	-2500	Transfer	114500	1.85
				06/02/2015	-2500	Transfer	112000	1.81
				13/02/2015	-3238	Transfer	108762	1.75
				20/03/2015	6012	Transfer	114774	1.85
				31/03/2015	2031	Transfer	116805	1.88
				31/03/2015			116805	1.88
13	Globe Capital Market Ltd*	70000	1.13	31/03/2014			70000	1.13
				28/11/2014	5750	Transfer	75750	1.22
				05/12/2014	-115	Transfer	75635	1.22
				12/12/2014	150	Transfer	75785	1.22
				19/12/2014	-259	Transfer	75526	1.22
				31/12/2014	45002	Transfer	120528	1.94
				09/01/2015	197	Transfer	120725	1.95
				16/01/2015	-14	Transfer	120711	1.95
				23/01/2015	600	Transfer	121311	1.96
				13/02/2015	-275	Transfer	121036	1.95
				27/02/2015	-100	Transfer	120936	1.95
				20/03/2015	-86	Transfer	120850	1.95
				27/03/2015	-30000	Transfer	90850	1.47
				31/03/2015	-1000	Transfer	89850	1.45
				31/03/2015			89850	1.45
14	Asha Mukul Agrawal*	36792	0.59	31/03/2014			36792	0.59
				20/06/2014	1331	Transfer	38123	0.61
				28/11/2014	14570	Transfer	52693	0.85





S. No.	Name	Shareholding		Date	Increase/Decrease in Share – holding	Reason	Cumulative shareholding during the year (01-04-14 to 31-03-2015)	
		No. of shares at the beginning (01-04-2014)	% of total shares of the Company.				No. of shares	% of total shares of the Company
				12/12/2014	7300	Transfer	59993	0.97
				31/03/2015			59993	0.97
15	Nisarg Ajaykumar Vakharia*	0	0.00	31/03/2014			0	0.00
				28/11/2014	50000	Transfer	50000	0.81
				31/03/2015			50000	0.81
16	Suresh Bhatia*	0	0.00	31/03/2014			0	0.00
				21/11/2014	1080	Transfer	1080	0.02
				28/11/2014	6951	Transfer	8031	0.13
				05/12/2014	4469	Transfer	12500	0.20
				19/12/2014	2500	Transfer	15000	0.24
				27/02/2015	43174	Transfer	58174	0.94
				27/03/2015	-2174	Transfer	56000	0.90
				31/03/2015			56000	0.90
17	Globe Fincap Limited*	40000	0.65	31/03/2014			40000	0.65
				31/03/2015			40000	0.65
18	Trans Scan Securities Pvt.Ltd*	0	0.00	31/03/2014			0	0.00
				27/03/2015	35000	Transfer	35000	0.56
				31/03/2015	20000	Transfer	55000	0.89
				31/03/2015	-20000	Transfer	35000	0.56
				31/03/2015			35000	0.56

* Not in the list of Top ten shareholders as on 01-04-2014. The same has been reflected above since the shareholder was one of the top ten shareholders on 31-03-2015.
#ceased to be in the list of Top 10 shareholders as on 31-03-2015. The same is reflected above since the shareholder was one of the top ten shareholders as on 01-04-2014.



(v) Shareholding of Directors and Key Managerial Personnel;

S. No.	Name	Shareholding as on 01-04-2014		Shareholding as on 31-03-2015	
		No. of shares	% of total shares of the Company.	No. of shares	% of total shares of the Company
1.	Mr. Gautam Chand Jain Chairman & Managing Director	500000	8.06	500000	8.06
2.	Mr. Rahul Jain Executive Director	100000	1.61	100000	1.61
3.	Mr. Prakash Chand Jain Non – Executive Director	500000	8.06	500000	8.06
4.	Mr. Meka Yugandhar Independent Director	Nil	Nil	Nil	Nil
5.	Mr. Vinayak Rao Juvvadi Independent Director	Nil	Nil	Nil	Nil
6.	Mr. Thati Venkataswamy Chowdary Independent Director	Nil	Nil	Nil	Nil
7.	Mr. Mahender Chand Independent Director	Nil	Nil	Nil	Nil
8.	Mr. Dhanji Lakhamsi Sawla Independent Director	Nil	Nil	Nil	Nil
9.	Mrs. Apurva Jain Executive Director	Nil	Nil	Nil	Nil
10.	Mr. Viswanatha Reddy Chief Financial Officer	5	0.00	5	0.00
11.	Mr. Vinay Paruchuru Company Secretary	Nil	Nil	Nil	Nil

Note: During the year under review, there was no change in shareholding of the Directors and other Key Managerial Personnel.

INDEBTEDNESS:

(VI) Indebtedness of the Company including interest outstanding/accrued but not due for payment;

₹ In Lacs

Particulars	Secured Loans excluding deposit	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial year:				
i) Principal amount	7415.55	3475.35	--	10890.90
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not paid	41.50	521.65	--	563.15
Total (i+ii+iii)	7457.05	3997.00	--	11454.05
Change in indebtedness during the financial year				
Addition	1596.90	495.00	--	2091.90
Reduction	(1382.81)	(1561.57)	--	(2944.38)
Net Change	214.09	(1066.57)	--	(852.48)
Indebtedness at the end of the financial year				
i) Principal amount	7629.64	2408.78	--	10038.42
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not paid	38.74	737.51	--	776.25
Total (i+ii+iii)	7668.38	3146.29	--	10814.67

VII. Remuneration of Directors and Key Managerial Personnel:

A. Remuneration to Managing Director, Whole-time Director and/or Manager:

₹ In Lacs

S. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total amount
		Mr. Gautam Chand Jain	Mr. Rahul Jain	Mrs. Apurva Jain		
1	Gross Salary					
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961.	60.00	18.00	7.74		85.74
	b) Value of perquisites u/s. 17(2) Income – Tax Act, 1961.	4.36	8.41			12.77
	c) Profits in lieu of Salary under Section 17(3) Income – Tax Act, 1961	--	--	--		--
2	Stock option	--	--	--		--
3	Sweat Equity	--	--	--		--
4	Commission	80.00	110.00	--		190.00
	- As a percentage of profit	2.77%	3.81%	--		--
5	Others, please specify	--	--	--		--
	Total (A)	144.36	136.41	7.74		288.51
6	Ceiling as per the Act	₹ 289.96 Lacs (being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)				

B. Remuneration to other directors:

₹ In Lacs

S. No.	Particulars of Remuneration	Name of the other Director						Total amount
		Mr. Meka Yugandhar Venkataswamy Chowdary	Mr. Thati Juvvadi	Mr. Vinayak Rao	Mr. Mahender Chand	Mr. Dhanji Lakhamji Sawla	Mr. Prakash Chand Jain	
1	Independent Directors							
	a) Fee for attending Board./ Committee meetings	1.20	1.00	1.20	1.10	0.90	--	5.40
	b) Commission	4.50	4.50	4.50	4.50	4.50	--	22.50
	c) Others, if specify							
	Total (1)	5.70	5.50	5.70	5.60	5.40	--	27.90
2	Other Non-Executive Directors							
	a) Fee for attending Board./ Committee meetings	--	--	--	--	--	1.20	1.20
	b) Commission	--	--	--	--	--	4.50	4.50
	c) Others, if specify	--	--	--	--	--	--	--
	Total (2)						5.70	5.70
	Total B = (1+2)	5.70	5.50	5.70	5.60	5.40	5.70	33.60
	Total Managerial Remuneration							322.11*
	Overall ceiling as per the Act	₹ 289.96 Lacs (being 1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)						

* Total remuneration to Managing Director, Whole-Time Directors and other Directors (being the total of A and B).

Note: As per Section 197 of the Companies Act, 2013 Fee paid for attending Board./Committee meetings shall not form part of the remuneration payable to Directors.

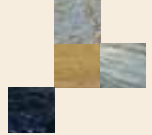
C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:

₹ In Lacs

S. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total amount
		Mr. Viswanatha Reddy, Chief Financial Officer	Mr. Vinay Paruchuru, Company Secretary	
1	Gross Salary			
	d) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961.	47.72	5.85	53.57
	e) Value of perquisites u/s. 17(2) Income – Tax Act, 1961.	0.25	--	0.25
	f) Profits in lieu of Salary under Section 17(3) Income – Tax Act, 1961	--	--	--
2	Stock option	--	--	--
3	Sweat Equity	--	--	--
4	Commission	--	--	--
	- As a percentage of profit	--	--	--
5	Others, please specify	--	--	--
	Total (A)	47.97	5.85	53.82

VII. PENALTIES/PUNISHMENTS/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment compounding fees imposed	Authority (RD/NCLT/ Court)	Approval made, if any (give details)
A.			Company - Nil		
Penalty					
Punishment					
Compounding					
B.			Directors – Nil		
Penalty					
Punishment					
Compounding					
C.			Other Officers in Default – Nil		
Penalty					
Punishment					
Compounding					





ANNUAL REPORT ON CSR ACTIVITIES UNDERTAKEN DURING THE YEAR

1. The Company has formulated the policy on Corporate Social Responsibility (CSR) as required under the Companies Act, 2013 and implemented the CSR initiatives, pursuant the said policy, during the year under review.

2. The CSR policy may be accessed on the Company's website at the link: <http://goo.gl/Ci4ZBz>

3. CSR THRUST AREAS:

The Company has identified three (3) Thrust Areas for undertaking CSR Projects:

3.1 Healthcare and sanitation, including but not limited to:

- a) Eradicating poverty, hunger and malnutrition.
- b) Establishment and management of healthcare infrastructure.
- c) Activities concerning or promoting specialized medical treatment in any medical institution.
- d) General health care including preventive health care.
- e) Safe motherhood.
- f) Child survival support programs.
- g) Better hygiene and sanitation.
- h) Adequate and potable water supply, etc.

3.2 Education and skill and knowledge enhancement, including, but not limited to:

- a) Promoting education, including special education and employment enhancing vocation skills and livelihood enhancement projects

3.3 Environment, including but not limited to:

- a) Ensuring ecological balance, environmental sustainability, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water.

4. Composition of CSR Committee:

- 1) Mr. Meka Yugandhar, Chairman
- 2) Mr. Gautam Chand Jain, Member
- 3) Mr. Vinayak Rao Juvvadi, Member

5. Average net profit of the Company for last three financial years: ₹ 5,29,59,328

6. Prescribed CSR expenditure (i.e. 2% of the average net profits): ₹ 10,59,187

7. Details of CSR spent during the financial year;

- a) Total amount spent during the financial year : ₹ 5,65,100
- b) Amount unspent, if any: ₹ 4,94,087
- c) Manner in which the amount spent during the financial year is detailed below:

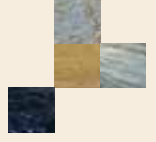
S. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or Programmes (1) Local area or other (2) Specify the state and district where projects or programs were undertaken	Amount outlay (budget) project or programs wise (In ₹)	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative Expenditure Upto the reporting period (In. ₹)	Amount spent: Direct or through implementing agency
1	Project for supporting heart surgeries of children	Healthcare and sanitation	Hyderabad, Telangana State, Local area	500000	Direct expenditure	500000	Implementing Agency; Hrudaya Cure – A Little Heart' foundation
2	Supporting the infrastructure facilities, in the schools, which are operated in local area, where the operations of the Company is carried on	Education and skill and knowledge enhancement	1) Nalgonda District, Telangana State 2) Ranga Reddy District, Telangana State 3) Chittoor District, Andhra Pradesh Local areas	559187	Direct expenditure	65100	Amount spent directly by the Company

Gautam Chand Jain

Chairman & Managing Director

Meka Yugandhar

Chairman of CSR Committee

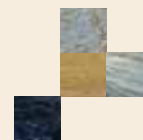




DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:

- (i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2014-15, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2014-15 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

S. No.	Name of Director/KMP and Designation	Remuneration Of Director/ KMP for financial year 2014-15 (₹ in Lacs)	% increase in Remuneration in the Financial Year 2014-15	Ratio of remuneration of each Director to median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the Company
1.	Mr. Gautam Chand Jain, Chairman & Managing Director	144.36	257.86	108.54	Profit before tax has increased by 249.71% and Profit after tax has increased by 233.18%.
2.	Mr. Rahul Jain Executive Director	136.41	385.10	102.56	
3.	Mrs. Apurva Jain Executive Director	7.74	This being first year of Mrs. Apurva Jain, as Director of the Company, comparative increase of remuneration cannot be mentioned.	5.82	
4.	Mr. Prakash Chand Jain, Director	4.50	Owing to non-availability of adequate profits, company has not paid any remuneration, except the sitting fees, to non-executive directors, from F.Y. 2008-09 to F.Y. 2013-14. Keeping in view of improved performance of the Company for the F.Y. 2014-15, Company has a paid a Commission of ₹ 4.50 Lacs to each non-executive Director, apart from paying sitting fees, hence the comparative increase of remuneration cannot be mentioned.	3.38	
5.	Mr. Meka Yugandhar, Director	4.50	-do-	3.38	
6.	Mr. Vinayak Rao Juvvadi, Director	4.50	-do-	3.38	
7.	Mr. Thati Venkataswamy Chowdary, Director	4.50	-do-	3.38	
8.	Mr. Mahender Chand, Director	4.50	-do-	3.38	



S. No.	Name of Director/KMP and Designation	Remuneration Of Director/ KMP for financial year 2014-15 (₹ in Lacs)	% increase in Remuneration in the Financial Year 2014-15	Ratio of remuneration of each Director to median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the Company
9.	Mr. Dhanji Lakhamshi Sawla Director	4.50	-do-	3.38	
10.	Mr. Viswantha Reddy Chief Financial Officer	47.97	81.50	Not applicable	Profit before tax has increased by 249.71% and Profit after tax has increased by 233.18%.
11.	Mr. Vinay Paruchuru, Company Secretary	5.85	17.31	Not applicable	

- (ii) The median remuneration of employees of the Company during the financial year was 1.33 Lacs.
- (iii) In the financial year, there was an increase of 19.82% in the median remuneration of employees;
- (iv) There were 733 permanent employees on the rolls of Company as on March 31, 2015;
- (v) Relationship between average increase in remuneration and company performance:- The Profit before Tax for the financial year ended March 31, 2015 increased by 249.71% whereas the increase in median remuneration was 19.82%. The average increase in median remuneration was in line with the performance of the Company.
- (vi) Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company: Details have been mentioned in the above tabular form.
- (vii) Variations in the market capitalization of the Company :
- a) The market capitalization as on March 31, 2015 was ₹ 426.77 Crores and on 31st March, 2014 was ₹ 77.51 Crores.
- b) Price Earnings ratio of the Company was 26.26 as at March 31, 2015 and was 15.88 as at March 31, 2014.
- c) Percent increase over/ decrease in the market quotations of the shares of the company as compared to the rate at which the company came out with the last public offer - The closing price of the Company's equity shares on BSE as of March 31, 2015 was ₹ 688.25, representing a 1276.50% of increase over the IPO price of ₹ 50/-.
- (viii) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2014-15 was 12.96%, whereas the increase in the managerial remuneration for the same financial year was 247.05%. The reasons for variation can be attributed to the payment of permissible remuneration to Mr. Gautam Chand Jain, Chairman & Managing Director and Mr. Rahul Jain, Executive Director, as per the Companies Act, 2013 read with the limits sanctioned by shareholders, owing to the improved performance of the Company, in the FY. 2014-15.
- (ix) The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.
- (x) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year - NA; and
- (xi) It is hereby affirmed that the remuneration paid is as per the as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.



SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31-03-2015
FORM NO MR 3

Annexure-IV

Pursuant to Section 204 (1) of the Companies Act, 2013 and the Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

To

The Members,

Pokarna Limited

Hyderabad.

1. I have conducted Secretarial Audit pursuant to Section 204 of the Companies Act 2013, on the compliance of applicable Statutory Provisions and the adherence to good corporate practices by **Pokarna Limited** (hereinafter called as **“the Company”**). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.
2. Based on our verification of the books, papers, minutes books, forms, returns filed and other records maintained by the Company and also the information and according to the examinations carried out by us and explanations furnished and representations made to us by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in our opinion, the Company has during the audit period covering the Financial Year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.
3. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015 (“Audit Period”) according to the provisions of:
 - i. The Companies Act, 2013 (the Act) and the rules made there-under;
 - ii. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made there-under;
 - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there-under;
 - iv. The Foreign Exchange Management Act, 1999 and the rules and regulations made there-under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; Not applicable during the audit period.
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; Not applicable during the audit period.
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Not applicable during the audit period.
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993; regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not applicable during the audit period; and
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; Not applicable during the audit period.



- vi. The Company is into business of mining of granite, processing and sale of granite slabs and manufacture and sale of readymade garments / apparels. Accordingly, the following Major Industry specific Acts and Rules are applicable to the Company, in the view of the Management:
 - a. The Mines Act, 1952 and Rules made there under
 - b. The Mines & Minerals (Development & Regulation) Act, 1957
 - c. The Granite Conservation and Development Rules, 1999
 - d. The Andhra Pradesh Minor Mineral Concession Rules , 1966 and
 - e. The Explosive Act 1884 and Explosive Rules 2008
- vii. I, have also examined compliance with the applicable clauses of the following:
 - a. The Listing Agreement entered into with stock exchange.
 - b. Secretarial Standards were not considered in the Audit, as the same were not notified during the period considered for Audit.

During the period under review, the Company has complied with the provisions of the applicable Acts, Rules, Regulations, and Guidelines etc., mentioned above.
4. I have relied on representations made by the Company and its officers for the systems and mechanism formed by the Company to ensure the compliances under other applicable Acts, Laws and Regulations to the Company, which have been listed in Annexure-I to this report.
5. I, further report that:
 - a. The Board of Directors of the Company is duly constituted. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.
 - b. Adequate Notice is given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least 7 days in advance. There is adequate system for seeking and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting. Majority decision is carried through and there were no instances of dissenting members in the Board of Directors.
6. I further report that there exist adequate systems and processes in the Company that commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
7. I, further report that during the audit period, the Company has redeemed 2461 FCCB's of US\$ 1000 each with this the entire FCCB's issued by the Company stands redeemed.

Place : Hyderabad
Date : 25.05.2015

K . V . Chalama Reddy
Practising Company Secretary
M. No: 13951, C.P No: 5451



Annexure –I

1. Factories Act 1948
2. Industries (Development and Regulation) Act, 1951
3. Labour laws and incidental laws related to Labour and employees appointed by the Company either on its payroll or on contractual basis as related to wages , gratuity, provident fund , ESIC , Compensation etc.,
4. Acts prescribed under Prevention and Control of pollution
5. Acts prescribed under Direct and Indirect taxes
6. Land Revenue laws of respective States
7. Labour welfare Act of respective States
8. Trade Marks Act 1999
9. Legal Metrology Act 2009
10. Acts as prescribed under Shops and Establishment Act of Various Local Authorities

Place : Hyderabad
Date : 25.05.2015

K . V . Chalama Reddy
Practising Company Secretary
M. No: 13951, C.P No: 5451

05

Management
Discussion
and
Analysis

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MANAGEMENT DISCUSSION AND ANALYSIS



ECONOMIC ENVIRONMENT

Global growth continued to remain weak during 2014-15 owing to the protracted slowdown across developed and emerging nations. Performance of major economies barring US and UK remained under pressure despite functioning in a benign interest rate environment given the presence of multiple headwinds such as falling commodity prices, weak world trade and political uncertainties. Japanese economy also sputtered following muted consumption and exports, underscoring the challenges facing the government despite deploying ultra-accommodative monetary policy.

Performance of emerging economies was impacted by political uncertainties, domestic policy tightening, and supply-side constraints. Chinese economy clocked its slowest pace in over two decade affected by declining property prices and companies and local governments finding it difficult to operate under heavy debt burden, in turn forcing the government to implement growth driving measures to arrest further contraction.

Indian economy on the other hand, benefited significantly from the falling crude prices, as softening of energy prices helped restore and strengthen the country's fiscal deficit besides curbing worries on high inflation. Moderation in oil prices also provided the central bank much needed elbow room for lowering the interest rates in turn bringing down the cost of capital. In addition, the implementation of structural reforms by the government also helped brighten the country's future growth prospects. By undertaking steps towards reduce red tape, shrinking the role of government, deregulating key parts of the economy and improving infrastructure facilities the government has been able to alter the nation's image in the eyes of the global investors and rating agencies which had earlier perceived India as being one amongst the fragile five economies. Indian economy is expected to accelerate and emerge as the fastest growing nation following the government's efforts towards making the economy more vibrant and efficient. International Monetary Fund expects the Indian economy to overtake China as the fastest growing emerging economy in 2015-16 by clocking a growth rate of 7.5 per cent.

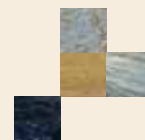
Indian Stone Industry –

Indian stone industry has experienced significant transformation over the years. Despite being unorganized and fragmented the industry has been growing 15-20 percent annually even during the downturn in fiscal 2008-09 and 2009-10 aided mainly by strong domestic and international demand. Middle East, Commonwealth of Independent States (CIS) and South-East Asia are amongst the many regions wherein demand for designer Indian stone remains high.

India accounts for 25 per cent of the total reserves of marble, granite and stone slate. The country also possesses 1,619 million cubic metres of deposit, comprising 160 shades of stone. However, despite strong performance in the past, current utilization remains marginal in turn highlighting the huge opportunity for further growth.

In terms of quantity of material exported, the stone industry ranks second only to iron ore, albeit in different form, given the major proportion of it being in the form of value added and not the crude and indigenous form associated with the former. Exports comprises of tiles, surface plates, building slabs and cut-to-size stones. India is also amongst the few countries that deliver branded stone – be it marble, granite or sandstone. However, despite the huge potential, factors such as archaic policies, shutting down of quarries, and inordinate delays prevent the smooth functioning of the sector thereby restricting its growth. Further, heightened competition from countries like China is also poses threat to the country's long term competitiveness.

China has built its strength over the years and now stands as the largest player in the stone industry. The country with ~34.3% of the total value of world exports in 2013 was the leader in terms of market share in the natural stone industry. China's higher share in the world trade stems from its strategy of focusing on exporting value-added finished products produced from locally sourced material or imported raw material played a crucial role in increasing the value of its exports. The country post processing the imported raw blocks exports the finished products to most of the leading markets. Sizeable proportion of China's natural stone is exported to European region. China has reduced India's once dominant position in Japanese market and now controls almost ~98% share of the region.



All India Granites and Stone Association (AIGSA), has requested for the implementation of following measures for preserving the country's attractiveness and competitiveness –

- Granite has to be declared as major mineral instead of minor mineral
- Free Import of Granite & Marble blocks
- More mining leases have to be in place; old policies need to be looked at afresh; running quarries have to be protected
- Support from the Government in terms of ensuring sufficient material to the industry
- Liberalizing EXIM policy for enabling people to participate in the process and strengthen the sector with work required to meet the demands of the industry for stone

Source - <http://goo.gl/pPx44A>

The Central government at present has put total restriction on the import of granite blocks while permitting import of marble blocks only up to six lakh tonnes. Such provisions are impairing industry's growth.

Granite –

India is home to some of the best quality dimensional stones available across the globe. Endowed with vast reserves and diversities of almost every conceivable natural stone namely granite, marble, sandstone, limestone, quartz etc., the country is the third largest natural stone manufacturer in the world. Of the 300 varieties of granite present in the world market, India supplies about 200, reflecting the availability of wide array of color, texture and structure in the country.

India produces more than 27 percent of the overall stone production in the world and exports over 11 percent of the world's stone exports.

As per Ministry of Mines report (January 2015), the country has an estimated 46,230 million cu. m of granite resources. The deposits of natural stones are situated across the length and breadth of the country with maximum concentration in states such as Tamil Nadu, Andhra Pradesh, Telangana, Karnataka, Rajasthan and Odisha.

In terms of exports, the country shipped granite blocks worth ₹ 12, 047 crore in 2013-14 as against ₹ 9,766 crore in the previous year a growth of 23 percent over its previous year. The growth was primarily value led as volumes remained more or less stable during the period. Granite and products, exported mainly as either raw blocks or after cutting and polishing constituted majority of the exports revenue, followed by other stones and products, marbles and slate stone. While Granite was exported to China and European countries, finished marbles was mainly shipped to Japan.

Demand for the product continues to remain strong aided equally by improving domestic and commercial constructions. While, the primary demand for granite is for flooring and kitchen countertops, it is also used for gravestone segment which has a large export market.

Despite impressive growth, presence of inadequate infrastructure facilities, inconsistent and contradictory leasing policies and dearth of export oriented policies are curbing the growth of the segment. The Federation of Indian Granite and Stone Industry (FIGSI) is urging the government to bring granite under "major" mineral category as it will help lower the royalty outgo on mining and enhance the segment's competitiveness. The quarrying industry is expected to grow rapidly following the acceptance of proposal as the same will ensure rationalization and result in uniform implementation of granite policies.

Home owners' preference for granite stems from its attractive and durability feature making it one of the favored surfaces to be used in flooring and countertops. Of all the tile types, Natural stone / granite is projected to grow most rapidly through 2017 through US overtaking porcelain, expected to be the second largest type in area demand terms by 2017.

US demand for decorative tile is forecast to rise 6.7 percent per year through 2017, reaching 3.2 billion square feet. Gains can be attributed to the country's improving housing and commercial construction spending. The new housing market is expected to show robust demand as housing completions grow from their low 2012 base.

Tile demand in non-residential building construction applications will be spurred by strong growth in office and commercial construction spending and increasing use of tile as a low-cost, low-maintenance flooring alternative to carpets and rugs.

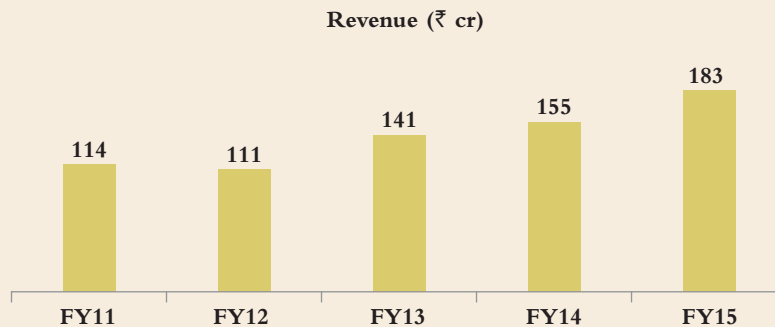


Pokarna Perspectives - Granite

Established in 1991, Pokarna Limited is one of India's leading granite exporting company. Pokarna offers some of the most novel and innovative natural stones surfaces. The Company's main sources of supply are its own quarries. It also sources part of its requirement from reputed and well established domestic and global independent suppliers. The Company's captive quarries are endowed with some of the most coveted and desirable colors like Silver Waves and Cream Kashmir etc.

The Company's two state-of-the-art manufacturing units are equipped with machines and technology imported from some of the finest companies in the world like Breton, Pedrini, Pellegrini etc. Your Company's color palette is fairly wide and varied with more than 75 varieties being sourced from within India in addition to other Countries. The product range comprising of various size slabs and tiles are supplied to 50+ countries.

The Division generated revenues of ₹ 183.17 Crores and PBIT of ₹ 47.56 Crores during the year as against ₹ 155.00 crore and ₹ 30.00 crore respectively during last year. Consistent demand for the product across regions and geographies coupled with improved realisations and better cost management resulted in the improved performance. Domestic Export mix for the year stood at 24: 76 as against 31:69 during last year. Export revenue for the segment stood at ₹ 139.15 crore as against ₹ 107.00 crore, representing a growth of 30.45%. US market with a share of 31.10% continues to remain high in the overall exports pie, followed by Asia and Europe.



Overall, the earnings visibility for the segment remains strong given the steadily rising demand for the product in domestic and international market. Backed by captive quarries, latest machinery, renewed thrust on marketing and a passion for producing the most sought after designs your Company is well positioned to capture the opportunities profitably. Further, your Company is also taking measures towards increasing the dependency on procuring raw materials from captive quarries, and as such has made several applications for grant for new mining lease(s) in different states.

Quartz / Engineered Stone –

Quartz is the most commonly found material on the surface of the earth. Besides hardness, it also possesses superior abrasive properties and is highly chemical resistant. Engineered quartz surfaces, comprising of 93 percent quartz particles and 7 percent binding resins and additives are recognized for their durability, strength, stain and heat resistance qualities. Such attributes make it near maintenance free product thus helping it score over other surfaces namely granite, which can more easily be stained or scratched. Quartz is also a nonporous material, which restricts the growth of mold, mildew, or bacteria.

It is on account of such factors that Consumer Reports Magazine has rated quartz as the top performer amongst countertop materials such as granite, ceramic tile, stainless steel, laminate, marble, limestone, and concrete when it came to resisting prime kitchen hazards such as stains, heat and scratches.

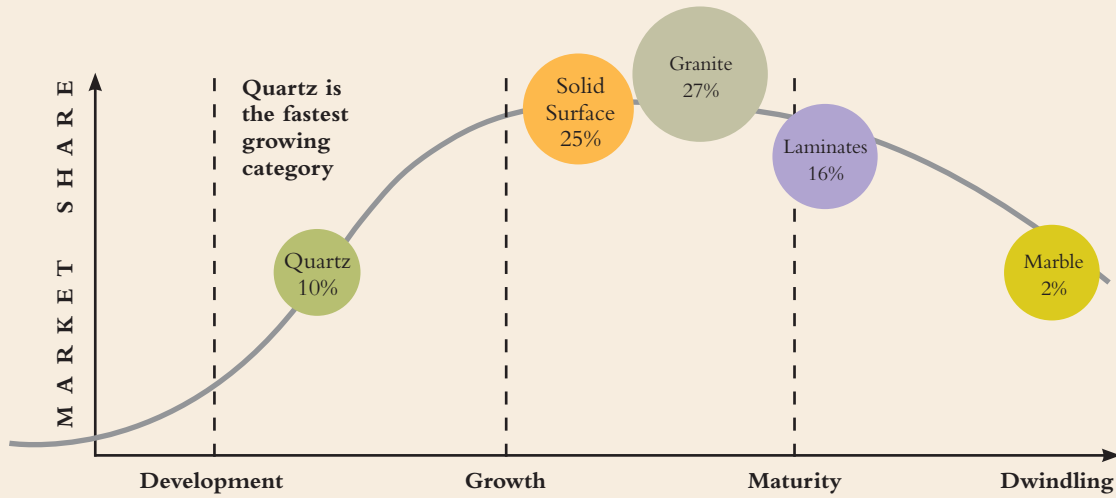
In addition to its superior exterior qualities, the initial malleable property of quartz enables flexibility and innovation in design, style, textures and production process as well as ease of fabrication.

While the usages of natural stones like granite, marble, soapstone for countertops were dominant in the past, there has been a visible shift in favor of quartz over the past decade. The migration has resulted in the product becoming the fastest



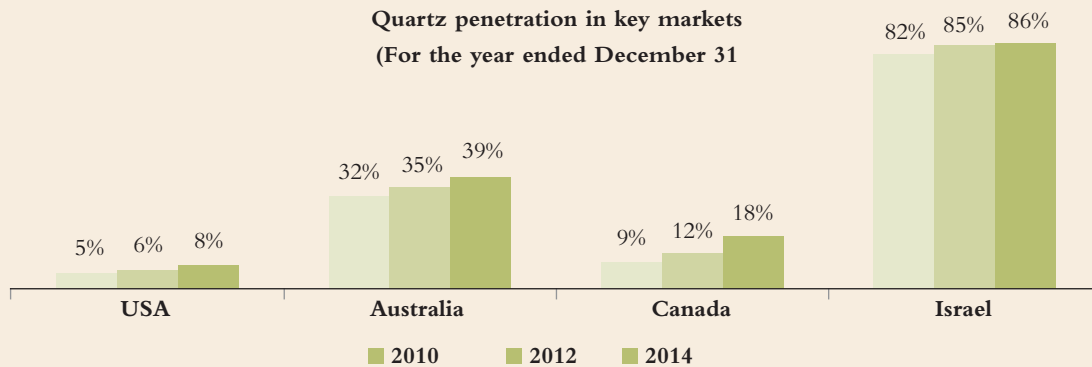
growing material to be used in the countertop industry, gradually eating into the share of other materials, such as granite, manufactured solid surfaces and laminate.

Quartz is the Fastest Growing Category in a \$81bn Market

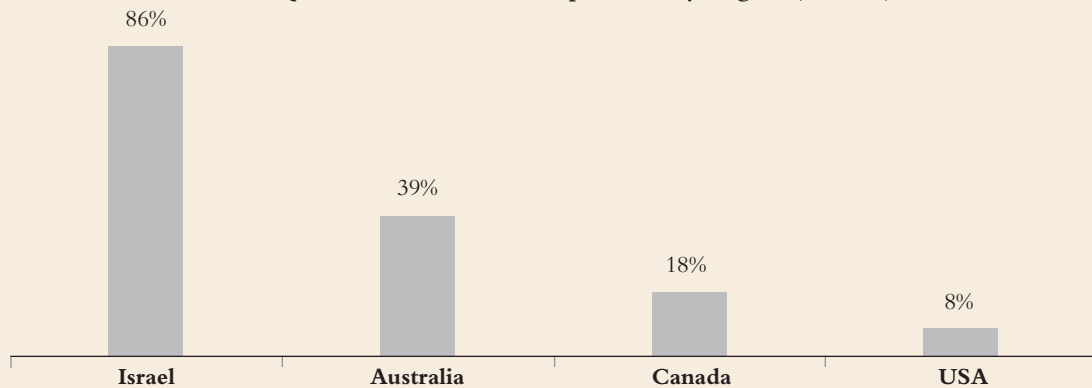


Between 1999 and 2014, global engineered quartz sales to end-consumers grew at a compound annual growth rate of 15.7% compared to a 4.4% compound annual growth rate in total global countertop sales to end-consumers during the same period.

Quartz penetration in key markets (For the year ended December 31)



2014 Quartz Share of Countertop Market by Region (Volume)



The trend is expected to remain strong in the future, given the greater awareness and acceptance level of the product across its key markets.

While the product has attained different life cycle stage across these markets the common theme of rising usage and acceptability is clearly visible across these regions. While Australia, Europe, Israel are matured market for engineered stone



the product is still at a nascent stage in America and Canada region. The rise of the quartz is partially also attributable to its wider applicability varying from kitchen countertops, bathroom countertops, bar, floor and exterior walls and so on.

From single digit share in USA to more than eighty percent usage in market like Israel, quartz is developing as a preferred choice for customers and developers. Granite and other solid surfaces continue to dominate the US countertops market presently, with even laminate scoring over quartz.

Despite, increasing usage, Quartz accounts for just 8% of all countertops in America, resulting in one of the least penetrated developed markets in the world. The figure pales when compared with Australia and Europe wherein the share of the product ranges from 30% to 50%.

However, the awareness for quartz's fine points -- its beauty and durability is driving the demand for the product in US and Canada, regions that materially lag the penetration of other countries and the marginal improvement and acceptability of the product within these regions will have a disproportionate impact on the category's growth trajectory.

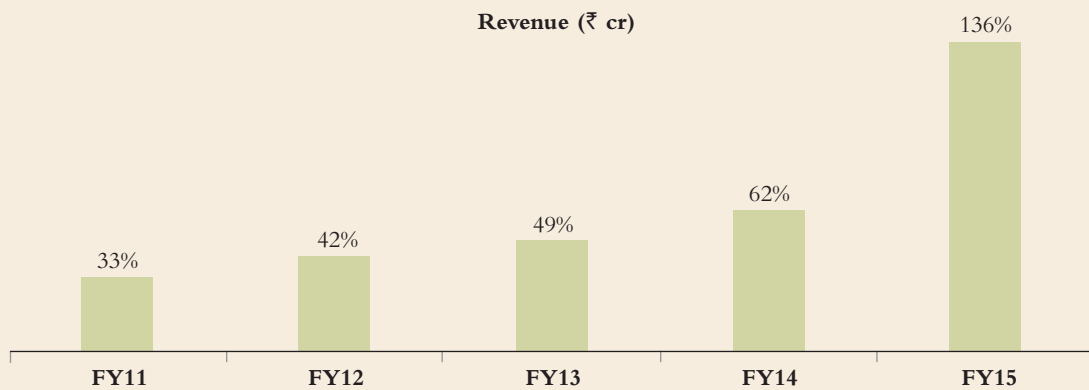
Pokarna Perspectives – Quartz

Pokarna manufactures “Engineered Stone” or “Compound Stone” from its 100% owned subsidiary M/s. Pokarna Engineered Stone Limited (PESL). PESL is amongst the Country's leading engineered stone manufacturing Company with exports across most of the developed and emerging markets, with a strong presence in the US and Europe. It is also the nation's only company to manufacture quartz surfaces using the patented Bretonstone® Technology. Bretonstone System from Breton S.p.A. of Italy, is considered to be amongst the finest of its kind in the world.

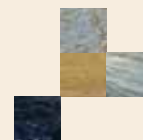
PESL, markets its engineered stone products under the brand Quantra® which is available in 64 different color palettes besides being rich in aesthetic appeal also offer an unbeatable quality and panache.

The Company's manufacturing unit located at Vishakapatnam is equipped with extensive laboratory, enabling the company's R&D staff to develop new colors, besides facilitating conducting of tests and analysis of various products via its modern machinery. Further, being situated in the port city, offers several advantages to the Company as it allows the factory to utilize quartz from the state of Andhra Pradesh, which is noted for its strong physical characteristics and high level of clarity.

During the year, PESL achieved revenues worth ₹ 135.73 crore and PBIT of ₹ 31.63 Crore as against ₹ 61.49 crore and ₹ 9.78 crore respectively during last year. Domestic Exports mix stood at ₹ 14.64 crore and ₹ 121.09 crore respectively with sizeable export contribution from USA i.e ₹ 98.38 crore constituting 72.48% of the export revenues.



The Subsidiary Company's products also received GREENGUARD and GREENGUARD Gold certification from UL Environment, a division of UL (Underwriters Laboratories), the global safety science leader during the year. Following which, PESL became the first Indian Quartz surfaces manufacturer to have been awarded such certification. Further, PESL also entered into a strategic alliance with Dekker Zevenhuizen B.V, wherein the latter will exclusively distribute PESL's quartz surfaces in Benelux Market. The products will be co-branded as “EQ by Quantra” under the agreement. The alliance will result in further strengthening and widening of the Company's reach in Benelux region.



FLOORING & CARPETS SEGMENT

OUTLOOK

The global demand for floor covering is expected to rise 4.5 percent annually to 19.4 billion square meters, reaching a level of \$325 billion through 2018. The improved demand is expected to be fueled by the revival in the housing construction segment in developed countries in conjunction with sustained growth in building construction activity in the emerging economies. Sustained growth in construction coupled with rising per capita income in the developing world permits households to expend major proportion of expensive floor coverings. In addition, rising motor vehicle production across multiple regions is expected to further harden the demand for floor coverings.

Through 2018, demand for floor coverings is expected to be fastest in North American region, buoyed mainly by the recovery in the US housing sector, with region wide demand for floor coverings in residential buildings forecast to rise 6.2 percent per year through 2018. The Asia / Pacific region is projected to pose the second fastest gains in floor covering demand, with China alone accounting for 36 percent of the incremental demand generated during the period. The strong growth forecasted for Chinese market is expected to further cement their place as the largest national floor covering market.

Growth in other developed countries such as Western Europe, Australia and Japan is expected to fall short in comparison to those expected to be seen in North America or emerging economies. However, the renewal in new housing construction in Australia and Japan both, along with improvement in other Western European countries is expected to result in firming up the demand for floor covering in comparison to the one witnessed during recent years.

The consumption pattern across flooring industry comprising of materials such as ceramic, laminate, wood, carpeting and natural stone varies greatly across geographies. For instance, Ceramic tile constituted approximately fifty percent of flooring covering demand in the Asia / Pacific region and Central and South America, while carpets and rugs were predominant in North America during 2013. The same period also witnessed, maximum usage of resilient flooring in Eastern Europe, where it accounted for just over one-third of regional floor covering demand.

Non-resilient flooring products, which represented nearly three-fifths of floor covering demand worldwide during 2013, are expected to post the fastest growth demand through 2018. Manufacturers of non-resilient flooring are expected to benefit from rapid growth demand in Asia, wherein the same account for vast majority of floor covering sales.

Demand for carpets and rugs will enjoy its fastest growth in North America due to these products' extensive use in the residential market in the US.

	World Flooring & Carpet Demand (Mn Sq. Mtrs)			% Annual Growth	
	2008	2013	2018	2008-2013	2013-2018
Flooring & Carpet Demand	13,390	15,540	19,400	3.0	4.5
North America	2,360	2,240	2,945	-1.0	5.6
Western Europe	2,325	2,205	2,440	-1.1	2.0
Asia/Pacific	5,530	7,410	9,525	6.0	5.2
Other Regions	3,175	3,685	4,490	3.2	4.0

Source: Freedonia

Source: <http://goo.gl/ztC5Ty>

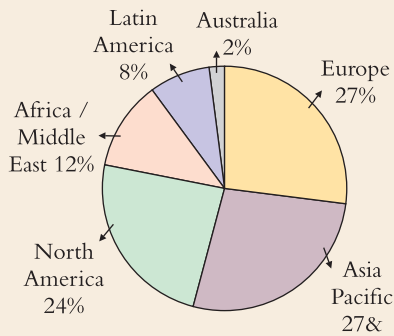
COUNTERTOP SEGMENT

Based on average installed price, (including installation and other related costs), the global countertop industry generated approximately \$81 billion in sales to end consumers in 2014. Amongst the surfaces, Granite with a share of 27 percent continued to remain the preferred material for countertops, to be followed by 25 percent share of solid surfaces in 2014. Quartz with a meagre 10 percent share remains near the infancy stage of a long term penetration opportunity.

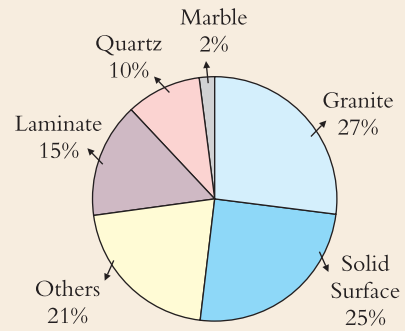
Region wise Europe, Asia Pacific and North America with demand in excess of 20 percent continued to remain the top three markets for the products. Demand in North American market remained strong following the improved labor and housing market in the region. Improving new and existing home sales coupled with consistent repair and remodeling spending helped maintained the growth momentum.



2014 Global Countertop Demand



2014 Global Countertop Demand by Material



Global demand for countertops is projected to grow at 4.3 percent annually through 2018 to 505 million square meters (Source: Freedonia), with building activity, building size and economic wealth being the key pointers of countertops usage.

Improved building construction activity, primarily in the developed economies which continues to recover from the worldwide recession and the subsequent gradual recovery through 2013 coupled with the developing economies efforts towards expanding and modernizing its building stock given their sustained population growth will principally drive the demand for the segment.

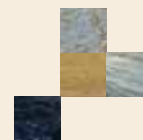
Usage of countertops in kitchens, bathrooms, and other areas is more predominant in developed markets like North America, Western Europe, Japan and other developed markets as compared to emerging countries. Gains in North America which was the second largest regional market for countertops in 2013 are expected to sustain given the continued recovery in US building construction and, in particular, growth in single-family housing completions, which will further benefit from ongoing consumer preference for spacious kitchens and multiple bathrooms that require more countertop area. Western Europe is expected to witness similar growth through 2018 given the pick-up in construction of new houses in many countries across the region, further boosting the demand for countertops.

The Asia/ Pacific region was the largest market for countertops in 2013, with nearly half of the global total. The region, generally an immature market with free-standing furniture, pedestal sinks, and other low-cost alternatives being more common than conventional countertops is expected to achieve the fastest gains in countertop through 2018. Within the region, China owing to its rising standards of living and continual projects towards modernizing their housing and nonresidential building stock is expected to drive the growth in the area. India the region's second largest market in 2013 will continue to see gains stemming from its present lower level of countertop penetration, coupled with the improving per capita income level and enhanced distribution network given its economic progress.

The type of materials used in countertops varies depending on factors such as the relative wealth of consumers and their style preferences, and the availability of local materials. Laminate and natural stone are the dominant materials used for countertops at present. Almost 33 percent of all laminate countertops were sold in North America, wherein usage of the material is predominant given their low cost. However, Laminate is expected to lose its market share globally to natural and engineered stone. Engineered stone countertops are projected to record the fastest growth reflecting lower penetration rates in many markets.

Also, the usage of natural stone countertops is relatively common in countries endowed with extensive quarries irrespective of local economic development. In countries, where natural stone has to be imported, it is utilized more often in high-end applications based on its comparatively high price.

In 2013, Solid surface comprised approximately 20 percent of global demand, of which nearly 70 percent of was sold in Asia / Pacific region wherein they are low-cost options because of an extensive local production base.



	World Countertop Demand (Mn Sq. Mtrs)			% Annual Growth	
	2008	2013	2018	2008-2013	2013-2018
Countertop Demand	349.12	409.00	503.00	3.2	4.2
North America	65.38	67.85	80.30	0.7	3.4
Western Europe	51.20	44.30	51.20	-2.9	2.9
Asia/Pacific	141.38	190.95	242.60	6.2	4.9
Central & South America	26.91	31.90	38.60	3.5	3.9
Eastern Europe	18.82	19.00	21.40	0.2	2.4
Africa / Mideast	45.43	55.00	68.90	3.9	4.6

Source: Freedonia

Source: <http://goo.gl/4OHk2t>

Apparel

Indian textile industry continues to play a pivotal role in the country's overall progress. The sector which is the second largest employment generator following agriculture makes a sizeable contribution to the country's overall industrial production and foreign exchanges. Textile sector presently estimated to be worth \$108 bn at present has the potential to attain a size of \$ 220 bn by 2020. Growing brand awareness, higher disposable income, policy support and the improving domestic and international demand are some of the key growth factors for the sector.

During 2014-15, Apparel Division of the Company achieved revenues of ₹ 7 crore as against ₹ 14 crore during previous year. The division's revenue were entirely derived from domestic market. PBIT for the segment stood at ₹ (10) crore as against ₹ (12) crore during FY14.

RISKS & CONCERNS

Your Company functions in a business environment which is subject to increasing globalization and competition. As such, controlling risk is critical to the businesses performance and your Company by virtue of undertaking diligent monitoring manages the same. Investors are requested to use their own judgement in judging various risk associated with the industry and the Company. The management cautions that the risks outlined hereunder are not exhaustive and are indicative only:

- Inability to source quality granite block for processing continues to remain one of the major difficulty for the granite industry and is expected to continue in the future as well
- Despite being present in multiple markets, the Company derives major proportion of its revenues from United States of America. Any shift in the consumption pattern on account of political or economic event in that market could have a material impact on our business as well
- Our clients are spread across geographies and despite examining their financial health at the time of order acceptance, there is a chance some of them may not be able to honor their commitment on time
- Heightened volatility in currency exchange rate following changing economic environment can have a bearing on the Company's financial condition, besides impacting its performance and may affect the comparability of results between the Company's financial periods
- Inherent risk associated with textile sector including inability to predict consumers' preference in the future, error in estimating demand, and ensuring consistent delivery of product on time are applicable to your Company as well and will have an impact on its apparel division.
- Lower profitability for the Apparel Division persists owing to sub-optimal capacity utilization at manufacturing, reduced customers footfalls and greater proportion of discounting benefits at the apparel retailing (STANZA brand) part of the business.
- Increasing brand awareness and visibility of your Company's products across existing and new markets is critical for sustaining the businesses long term growth momentum. Absence or lack of it can and will have a material impact on the business.
- Your Company along with its subsidiary has a sizeable proportion of loans outstanding and as such any failure in cash flow generation following business slowdown could impair the Company's ability in its debt obligation on time



SEGMENT WISE PERFORMANCE

At present, Company operates in two segments namely, Granite and Apparel. The financials for the said divisions of the Company are as under.

(₹ In Lacs)

Sl. No	Particulars	For the year ended	
		31.03.2015	31.03.2014
1	Segment Revenue (net)(including inter segment sales)		
a)	Granites	18,317	15,490
b)	Apparel	746	1,432
	Total	19,063	16,922
2	Inter Segment Revenue	-	-
	Net Sales/Income from Operations	19,063	16,922
2	Segment Results Profit (+) / Loss (-) before tax and interest from each segment.		
a)	Granites	4,756	2,946
b)	Apparel	(1,001)	(1,184)
	Total	3,755	1,762
	Less : Interest	1,223	1,038
	Total Segments Profit Before Tax	2,532	724
3	Capital Employed (Segment Assets - Segment Liabilities)		
a)	Granites	7,948	8,198
b)	Apparel	2,149	1,218
	Unallocable assets less liabilities	8,033	6,792
	Total	18,130	16,208

FINANCIAL PERFORMANCE OF THE COMPANY / OPERATIONS:

- Net sales increased by 12.65% from ₹ 16,922 Lacs to ₹ 19063 lacs.
- Net Profits increased by 232.99% from ₹ 488 Lacs to ₹ 1625 Lacs.
- Earnings per share stood at ₹ 26.21 and diluted EPS stood at ₹ 26.21

INTERNAL CONTROL SYSTEMS AND ADEQUACY

A strong and effective internal control is a critical component and a foundation for the safe and sound operations for any Company. As such the Company's management has implemented a structure targeted towards attaining higher operational efficiencies, optimum utilization of resources and effective monitoring thereof and compliance with all applicable laws.

HUMAN RESOURCES

A qualified and a motivated employee force is a valuable asset for any organization. As such, your Company undertakes several value additive measures targeted towards improving the skill set of the employees. The Company undertakes numerous training and talent developing activities. Industrial relations have been cordial and mutually beneficial.

CAUTIONARY STATEMENT

Certain statements in this report may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like regulatory changes, local, political or economic developments, technological risks, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements.

Important factors that could make a difference to your Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which your Company operates, changes in the Government regulations, tax laws, statutes and other incidental factors. Your Company will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

06

Corporate
Governance
Report

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CORPORATE GOVERNANCE REPORT

I. COMPANY'S PHILOSOPHY

Pokarna defines corporate governance as the system that allocates duties and authority among the Board of directors. The result of good corporate governance is intended to be a well system run, efficient company that identifies and deals with its problems in a timely manner, creates value for its shareowners' and meets its legal as well as ethical responsibilities.

Our commitment to strong, responsible corporate governance embarks on our Board of directors. Each Board member is essentially concerned to preserve the integrity that has characterized the company.

We take the subject of corporate governance very seriously from the boardroom to the manufacturing floor. Integrity has always been one of our values; it is the foundation of our reputation and one of our most precious assets. We govern ourselves with a rigorous system of checks and balances to ensure utmost compliance to fair and honest business practices. This ensures that our integrity is never compromised.

We believe that the integrity of any company must come from a leadership committed to behavior that is honest, decent and fair and from directors and employees who share that commitment and bring it to life at all levels of the organization. That's exactly what we do at Pokarna limited.

II. BOARD OF DIRECTORS

Composition of Board

The names of the directors, their directorship and Board Committee(s) membership as on 31st March, 2015 together with their attendance for the year under report are given below:

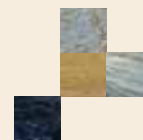
Name	Designation	Board meeting attendance	Attendance at the last AGM	No. of directorships [**]	Committee positions held*	
					Member	Chairman
Mr. Gautam Chand Jain	Chairman & Managing Director	7	Present	5	Nil	Nil
Mr. Prakash Chand Jain	Non Executive & Non Independent Director	7	Present	5	Nil	Nil
Mr. Meka Yugandhar	Independent Director	7	Present	9	6	2
Mr. Thati Venkataswamy Chowdary	Independent Director	6	Present	4	3	1
Mr. Vinayak Rao Juvvadi	Independent Director	7	Present	2	2	Nil
Mr. Mahender Chand	Independent Director	6	Present	2	2	Nil
Mr. Dhanji Lakhamsi Sawla	Independent Director	4	Present	3	Nil	Nil
Mr. Rahul Jain	Executive Director	7	Present	3	1	Nil
Mrs. Apurva Jain	Executive Director	5	Present	2	Nil	Nil

[*] Chairmanship / membership in Audit and Stakeholder Relationship committees of Public Limited Companies.

[**] Excluding private, foreign and Section 8 companies.

Board Meetings

The Board Meetings of the Company are governed by a structured agenda. The Board meetings are generally held at the Registered and manufacturing facilities of the Company and the Subsidiary Company. The Company Secretary in consultation with Chairman, and the Managing Director finalizes the agenda of the Board meetings. All major agenda items, backed up by relevant and comprehensive background information, are sent well in advance of the date of the Board meeting(s) to enable the Board members to take informed decision. Any Board Member may, in consultation with the Chairman, bring up any matter at the meeting for consideration by the Board. Senior management personnel are



invited from time to time to the Board meetings to make requisite presentations on relevant issues or provide necessary insights into the operations / working of the Company and corporate strategies.

Seven meetings of the Board of directors were held during the year on 22nd May, 2014, 29th May, 2014, 09th August, 2014, 11th November, 2014, 05th January, 2015, 12th February, 2015 and 14th March, 2015.

Details of directors holding the shares of the Company (as on 31st March, 2015):

Director	Number of shares held
Mr. Gautam Chand Jain	500000
Mr. Prakash Chand Jain	500000
Mr. Rahul Jain	100000

Directors' compensation and disclosures

The Nomination and Remuneration Committee recommends to the Board, the Compensation of the Chairman & Managing Director and Executive Directors of the Company keeping in view Company's financial status, past performance, past remuneration and future growth potential.

The remuneration of the Non-Executive Directors' of the Company is decided by the Board of Directors, based on the recommendation of Nomination and Remuneration Committee. The Non-Executive Directors' are paid remuneration by way of Commission and Sitting Fees. Non Executive Directors do not claim any fees for the Committee meetings.

In terms of the shareholders approval obtained at the Annual General Meeting held on 15th September 2014, Commission not exceeding one per cent of the net profits of the Company calculated in accordance with the provisions of Sections 197 of the Companies Act, 2013 can be paid to the Non Executive Directors. The distribution of the commission amongst the Non-Executive Directors' is determined by the Board and is broadly based on attendance, contribution at the Board Meetings and various Committee Meetings as well as time spent on operational matters other than at the aforesaid meetings.

The Nomination and Remuneration Policy of the Company can be accessed at the Company's website at the link <http://goo.gl/hkF5Yg>.

For the year 2014-2015, ₹ 27.00 Lacs has been provided as Commission to Non Executive Directors. The Details of the remuneration paid/payable to all the directors for the year 2014-2015 is provided is as under:

(Amount ₹ In Lacs)

Name	Designation	Salary	Perquisites & incentives	Commission	Sitting fees	Total
Mr. Gautam Chand Jain	Chairman & Managing Director	60.00	4.36	80.00	Nil	144.36
Mr. Rahul Jain	Executive Director	18.00	8.41	110.00	Nil	136.41
Mrs. Apurva Jain	Executive Director	7.74	Nil	Nil	Nil	7.74
Mr. Prakash Chand Jain	Non - Executive and non Independent Director	Nil	Nil	4.50	1.20	5.70
Mr. Meka Yugandhar	Independent Director	Nil	Nil	4.50	1.20	5.70
Mr. Thati Venkataswamy Chowdary	Independent Director	Nil	Nil	4.50	1.00	5.50
Mr. Vinayaka Rao Juvvadi	Independent Director	Nil	Nil	4.50	1.20	5.70
Mr. Mahender Chand	Independent Director	Nil	Nil	4.50	1.10	5.60
Mr. Dhanji Lakhamasi Sawla	Independent Director	Nil	Nil	4.50	0.90	5.40
Total		85.74	12.77	217.00	6.60	322.11
Previous year		54.00	14.46	--	2.20	70.66

Brief profile of the Directors being appointed / re-appointed

Mr. Prakash Chand Jain, who is liable to retire by rotation, offered him selves for re-appointment. Pursuant to clause 49 of the listing agreement, a brief on the profiles of the Director, is provided in notes, appended to the Notice of the Meeting.



Code of Conduct

The Board has approved a code of conduct for Board Members and Senior Management Personnel of the Company. The code of conduct has been posted on the website of the company. All Directors and senior management personnel have affirmed compliance with the code of conduct for the year ended 31st March, 2015. A declaration to the effect signed by the Chairman & Managing Director is given below:

DECLARATION

As provided under Clause 49 of the Listing agreement with the Bombay Stock Exchange, the Board Members and the Senior Management Personnel have confirmed compliance with the code of conduct for year ended 31st March, 2015.

Place : Secunderabad

Date : 25th May, 2015

Gautam Chand Jain

Chairman & Managing Director

III. AUDIT COMMITTEE

Brief description of the terms of reference

The terms of reference of the Audit Committee are extensive covering the mandatory requirements under Clause 49 of the Listing Agreement and Section 177 of the Companies Act, 2013, Apart from overseeing and monitoring the financial reporting system within the company and considering un-audited / audited financial results for the relevant quarter, half-year and the year before being adopted by the Board, the Audit Committee focused its attention on several other important topics. The Audit Committee continued to advise the management on areas where internal audit focus was needed and also the new areas that need to be taken up for audit purposes.

Composition

Mr. Meka Yugandhar – Chairman

Mr. Thati Venkataswamy Chowdary - Member

Mr. Vinayak Rao Juvvadi - Member

Mr. Mahender Chand – Member

The Chief Financial Officer, Statutory and Internal Auditors are invitees to the Committee. They regularly attend the meetings of the Committee. Senior executives of the Company are also invited to attend the meetings. The Company Secretary acts as Secretary to the Committee.

Meetings and attendance

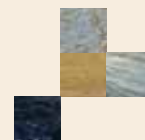
During the year under review, Six Audit Committee meetings were held on 29th May, 2014, 09th August, 2014, 11th November, 2014, 05th January, 2015, 12th February, 2015 and 14th March, 2015.

Members	Attendance during the year
Mr. Meka Yugandhar	6
Mr. Thati Venkataswamy Chowdary	5
Mr. Vinayak Rao Juvvadi	6
Mr. Mahender Chand	6

Member

IV. NOMINATION & REMUNERATION COMMITTEE

The Company has Nomination & Remuneration Committee, which is duly constituted in compliance with Section 178(1) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.



The responsibilities of the Committee includes, but not limited, to the following:

- Formulation and recommendation of a policy to the Board in relation to the appointments and remuneration to the Directors, Key Managerial Personnel and other employees.
- Evaluating the performance of the Directors of the company.

Composition

Mr. Thati Venkataswamy Chowdary – Chairman.

Mr. Meka Yugandhar – Member,

Mr. Mahender Chand – Member.

Mr. Prakash Chand Jain – Member

Meeting and attendance

During the Financial Year under review, two meetings were held on 09th August, 2014 and 11th November, 2014:

Members	Attendance during the year
Mr. Thati Venkataswamy Chowdary	2
Mr. Meka Yugandhar	2
Mr. Mahender Chand	2
Mr. Prakash Chand Jain	2

V. STAKEHOLDER RELATIONSHIP COMMITTEE

Brief description of the terms of reference

The Company has Stakeholder Relationship Committee, which is duly constituted in compliance with Section 178(5) of the Companies Act, 2013.

Attending and resolving investors' grievances / complaints of security holders included but not limited to the matters pertaining to transfer of shares, non-receipt of balance sheet and non-receipt of declared dividend, etc.

Composition

Mr. Thati Venkataswamy Chowdary – Chairman

Mr. Meka Yugandhar – Member

Mr. Rahul Jain – Member

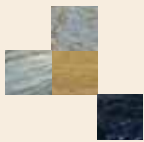
Meetings and attendance:

During the Financial Year under review two committee meetings were held on 05th January, 2015 and 12th February, 2015

Members	Attendance during the year
Mr. Thati Venkataswamy Chowdary	1
Mr. Meka Yugandhar	2
Mr. Rahul Jain	2

Status of Investor Complaints

During the year no complaint was received from any investor and there was no complaint outstanding as on 31st March, 2015.



VI. GENERAL BODY MEETINGS

A detail on the preceding three Annual General Meetings of the company is provided below:

Financial Year	Date	No. of Special Resolutions passed in the AGM
2011 - 2012	15 th September, 2012	NIL
2012 - 2013	17 th September, 2013	NIL
2013 - 2014	15 th September, 2014	ONE

No special resolution was passed in the preceding year through postal ballot. A special resolution is proposed to be passed for altering the Articles of Association of the Company, details of which have been provided in the notice of the meeting of the ensuing Annual general meeting.

VII. DISCLOSURES

1. Related party transactions entered into with related parties have already been disclosed under Note 2.27 annexed to standalone financials. No transaction of material has been entered into by the company with the Directors/management and their relatives etc. that have potential conflict with the interest of the Company.
2. No penalties have been imposed and strictures passed on the company by the stock exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.
3. The company has kept in place the “Whistle Blower Policy”, which provides a channel/platform to the employees and directors of the company, to report their genuine concerns to the top management. The Company has kept in place a designated email id for receiving complaints pursuant to this policy i.e., ec-whistleblower@pokarna.com. Further it is here by affirmed that no person has been denied access to the Audit Committee.
4. All the mandatory requirements stipulated in the Corporate Governance Code have been complied with during the year under report.

VIII. MEANS OF COMMUNICATION

The quarterly, annual results and other statutory reports of the company are communicated by disseminating the same to Bombay Stock Exchange. The Company also publishes its financial results, normally in Economic Times (Mumbai, Ahmedabad, Bangalore and Hyderabad editions), Hindu Business Line (All editions) and Visalandhra (Hyderabad edition). The company maintains functional website, namely, www.pokarna.com, containing basic information about the company like details of the business, financial information, shareholding pattern, compliance with Corporate Governance etc. and the same are kept updated at any point of time.

IX. GENERAL SHAREHOLDER INFORMATION

Unaudited / audited financial statements	Date
June 30, 2015	14 th August, 2015
September 30, 2015	14 th November, 2015
December 31, 2015	14 th February, 2016
March 31, 2016	30 th May, 2016

Calendar for financial results for 2015 – 2016 (tentative & subject to change)

Annual General Meeting – 2015

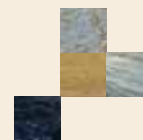
Date: 10th August, 2015

Time: 10.30 a.m.

Venue: AVASA Hotel, Plot No: 15,24,25 & 26 Sector - 1,
Survey No: 64, Huda Techno Enclave, Madhapur, Hyderabad-500081

Dates of Book Closure: 04th August, 2015 to 10th August, 2015 (both days inclusive)

Dividend payment date: Before 09th September, 2015



List on Stock Exchange

Name of the Stock Exchange	Address	Code
Bombay Stock Exchange Limited	Phiroze Jeejeebhoy Towers Dalal Street, Mumbai - 400 001	532486

Risk Management

Business risk evaluation and management is an ongoing process within the company. The risks are identified and are discussed by the representatives from various functions. The Board and the Audit Committee provide oversight and review the risk management periodically.

Stock Market Data

The monthly high and low quotations and volume of shares traded on BSE during the year were as follows:

2014 - 2015	BSE		SENSEX	
	High	Low	High	Low
Apr-14	152.95	110.05	22939.31	22197.51
May-14	140.80	114.10	25375.63	22277.04
Jun-14	245.00	137.00	25725.12	24270.20
Jul-14	282.00	238.00	26300.17	24892.00
Aug-14	314.90	270.00	26674.38	25232.82
Sep-14	283.40	249.15	27354.99	26220.49
Oct-14	305.90	254.65	27894.32	25910.77
Nov-14	609.30	303.80	28822.37	27739.56
Dec-14	650.00	522.05	28809.64	26469.42
Jan-15	737.50	612.90	29844.16	26776.12
Feb-15	805.00	650.00	29560.32	28044.49
Mar-15	776.00	586.00	30024.74	27248.45

Share Transfer System

Share transfers are processed and the shares certificates are returned to the shareholders within statutory limit, subject to the documents are in order.

Distribution of Shareholding as on 31st March, 2015

S. No.	Category	No. of Holders	% of total number of shareholders	Number of shares	% of total number of shares
1	1 - 5000	1933	82.85	202142	3.26
2	5001 - 10000	146	6.26	121184	1.95
3	10001 - 20000	93	3.99	151808	2.45
4	20001 - 30000	35	1.50	86432	1.39
5	30001 - 40000	20	0.86	73056	1.18
6	40001 - 50000	13	0.56	60543	0.98
7	50001 - 100000	30	1.29	234403	3.78
8	100001 & Above	63	2.70	5271232	85.01
	Total	2333	100	6200800	100



Dematerialization of shares and Liquidity

The shares of the company are compulsorily traded in dematerialized form and are available for dematerialization under both the Depository Systems in India - NSDL and CDSL. As on **31st March, 2015** a total of **6082074** Equity shares of the Company, which constitutes **98.09%** of the share capital of the company, are dematerialized.

Reconciliation of Share Capital Audit Report

As stipulated by SEBI, a qualified Practicing Company Secretary carried out Reconciliation of share capital audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock exchange where the shares of the Company are listed. The audit confirms that the total Listed and paid-up Capital is in the agreement with the agreement of the total number of the shares in dematerialized form (held with NSDL and CDSL) and total number of shares in physical form.

For share related services like transfer of physical shares / change of address / annual report etc, contact following:

For share related services / transfer of physical shares / change of address of members:	For queries relating to dividends, Annual Reports etc.
Registrar & Share Transfer Agents	Company Secretary & Compliance officer
Mrs. Varalakshmi	Mr. Vinay Paruchuru
Karvy Computershare Private Limited	Pokarna Limited,
Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 Ph: +91 4023312454	105, 1st Floor, Surya Towers, Sardar Patel Road, Secunderabad – 500 003, Telangana State, Ph: +91 40 2789 6361, 27840 4101, Fax: +91 40 2784 2121, Email-id for investor grievances: igrc@pokarna.com Website: www.pokarna.com

Plant Locations

Please refer the Section of Corporate Information in this Annual Report.

X. Training of Board Members

In order to fulfill the Governance ordained role, comprehension information is provided and presentations are made on working of various businesses of the company. Directors are briefed about all the business related matters, risk, new business initiatives proposed by the company. Directors are also briefed on changes/developments in the domestic / global corporate and industry scenario including those pertaining to statutes/legislations and economic environment. The necessary training will be provided to the Board members as and when required.

XI. NON MANDATORY REQUIREMENTS

The status of compliance with non-mandatory requirements is as under:

Chairman

The company has an Executive Chairman and hence the requirement pertaining to reimbursement of expenses to a Non Executive Chairman does not arise.

Shareholders Rights

The company publishes its results on its website at www.pokarna.com and this information is also available on the website of the Bombay Stock Limited where the shares are listed. A half yearly declaration of financial performance including summary of significant events in the last six-months has not been sent to each household of shareholders, as the quarterly results are published in widely circulated English newspaper and Regional newspaper. The complete Annual Report is sent to every shareholder of the Company.

Audit Qualification

The Company continues to adopt best practices to endeavor the regime of unqualified financial statements. There is no qualification from the statutory auditors of the company for the financial year 2014-15.



**CERTIFICATE FROM CHAIRMAN & MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER
PURSUANT TO THE CLAUSE 49 OF THE LISTING AGREEMENT:**

To,
The Board of Directors
Pokarna Limited

With regard to the consolidated and standalone financial statements of the company for the financial year **2014-15**, we hereby certify that, we have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:

- A. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief :
1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 2. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. To the best of our knowledge and belief, no transactions entered into by the company during the year, which are fraudulent, illegal or violative of the company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting, further to the best of our knowledge, we have not found any deficiencies in the design or operation of such internal controls, and therefore disclosure to the auditors and Audit Committee, in this regard does not arise.
- D. Following instances have not occurred during the year under review and therefore disclosure to the auditors and Audit Committee, in this regard does not arise..
1. significant changes in internal control over financial reporting during the year;
 2. significant changes in accounting policies during the year .
 3. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

M/s. Pokarna Limited

Gautam Chand Jain
(Chairman and Managing Director)

Date : 25th May, 2015
Place Secunderabad

(M. Viswanatha Reddy)
Chief Financial Officer



**AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF THE
CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF
THE LISTING AGREEMENT**

.....●.....

To
The Members'
Pokarna Limited.

We have examined the compliance of conditions of corporate governance by Pokarna Limited ("the Company"), for the year ended on 31st March, 2015 as stipulated in clause 49 of the Listing Agreement entered by the Company with Bombay Stock Exchange Limited.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied in all material respects with the conditions of corporate governance as stipulated in the above-mentioned Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **S. Daga & Co.**
Chartered Accountants
(ENo. 000669S)

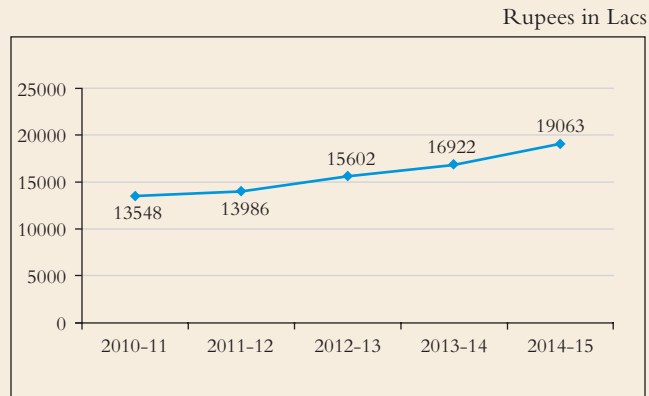
Shantilal Daga
Partner
Membership No. 11617

Place : Hyderabad
Date : 25th May, 2015

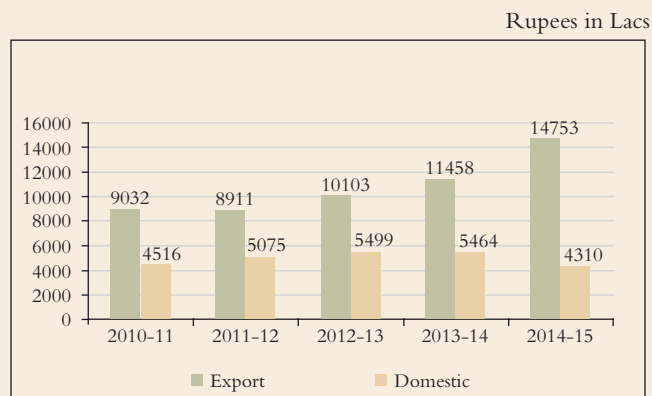


YOUR COMPANY'S GROWTH

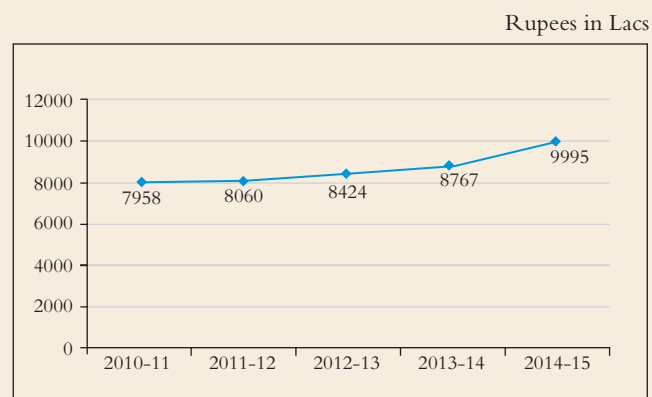
Turnover



Sales - Export vs Domestic



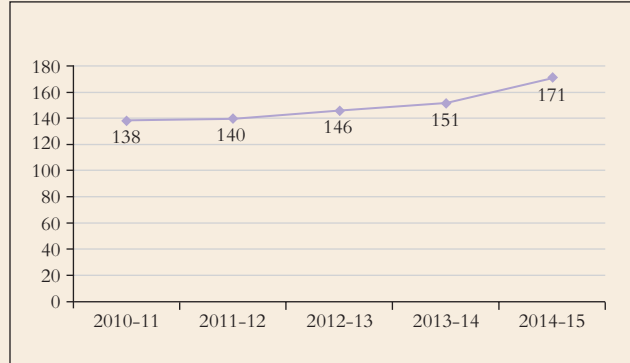
Reserves & Surplus



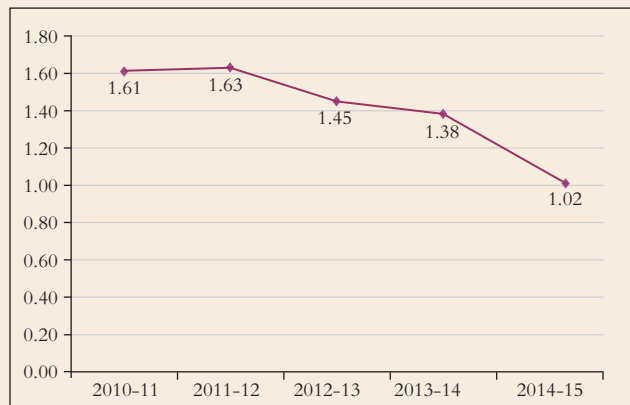


Book Value

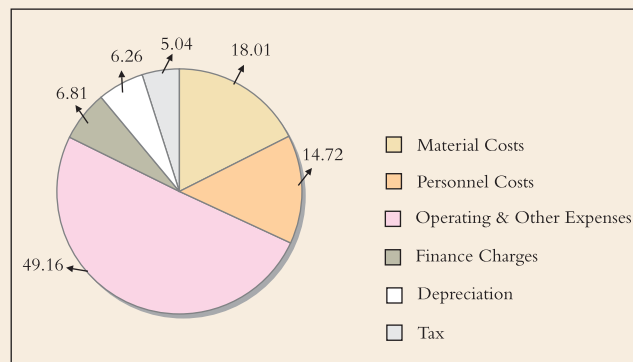
In Rupees



Debt/Share Holders Fund



Distribution of Revenue



07

Financial Statements

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Quantra



INDEPENDENT AUDITORS' REPORT

To
The Members,
Pokarna Limited.

Report on the Financial Statements

1. We have audited the accompanying financial statements of **Pokarna Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2015, the statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

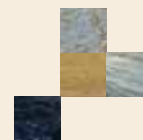
2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and Cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the act and rules made there under.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015 and its Profit and its Cash Flows for the year ended on that date.



POKARNA LIMITED

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Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2015, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order") and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
10. As required by Section 143 (3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations as on 31st March 2015 on its financial position in its financial statements;
 - ii. The Company has made provision, as required under the applicable law or Accounting Standards, for material foreseeable losses, if any, on long term contracts. The Company neither entered into any derivative contract during the year nor have any outstanding derivative contract at the end of the year;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2015.

For S.DAGA & CO.,
Chartered Accountants,
(ENo.000669S)

(SHANTILAL DAGA)
M.No.11617
Partner

Place : Hyderabad
Date : 25.05.2015

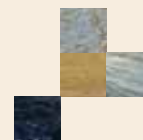


POKARNA LIMITED

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Pokarna Limited on the financial statements as of and for the year ended March 31, 2015

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management during the year and there is regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets.
- (ii) (a) The inventory has been physically verified by the management during the year. In respect of inventory lying with the parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- (iii) The Company has not granted any loans secured or unsecured to Companies, firms or other parties covered in the registers maintained under Section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the Information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
- (v) The Company has not accepted any deposits from the public within the meaning of Sections 73 and 74 of the Act and the rules framed there under to the extent notified.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government of India, the maintenance of cost records specified under sub-section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the Records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion the company is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, Income tax, Sales tax/CST, Wealth Tax, Service tax, duty of customs, duty of excise, cess, value added tax and other material statutory dues as applicable to it, with appropriate authorities.
- According to the information and explanations given to us, there are no material dues of Income tax, Sales tax/CST, Wealth Tax, Service tax, duty of customs, duty of excise, cess were in arrears, as on 31st March 2015 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and the records of the company examined by us, the particulars of dues of sales tax including value added tax, duty of customs and duty of excise as at 31st March 2015 which have not been deposited on account of a dispute are as follows:



POKARNA LIMITED

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Sl. No.	Name of the Statute	Nature of Dues	Amount (₹ In Lakhs)	Period to which the amount relates	Forum where the dispute is pending	Amount Deposited (₹ In Lakhs)
1	Finance Act, 1994	Service Tax	86.14	2007-15	Customs, Excise & Service Tax appellate tribunal and Superintendent of Service Tax	5.57
2	Central Excise Act, 1944	Excise Duty	152.47	2001-15	Customs, Excise & Service Tax appellate tribunal and Addl. Commissioner of Central Excise	--
3	Customs Act, 1962	Customs Duty	75.91	2003-11	Customs, Excise & Service Tax appellate tribunal	37.09
4	Income Tax Act, 1961	Income Tax	27.76	2001-02, 2002-03, 2005-06 & 2006-07	Commissioner of Income Tax & High Court	12.47
5	A PVat Act, 2005 and Central Sales Tax Act, 1956	Vat and CST	112.28	2010-11 and 2011-12	Dy. Commissioner of Commercial Taxes	9.44
Total			454.56			64.57

- (c) The amount required to be transferred to Investor Education and Protection Fund has been transferred with in the stipulated time in accordance with the provisions of the Companies Act, 1956 and the rules made there under.
- (viii) The company has no accumulated losses as at the end of the year and has not incurred cash losses during the financial year ended on that date and in the immediately preceding financial year.
- (ix) According to the records of the examined by us, the Company has not defaulted in repayment of dues to financial institutions, banks and bond holders during the current financial year. There are no over dues as on 31st March 2015.
- (x) In our opinion and according to the information and the explanations given to us, the company has not given any guarantees for loans taken by others from banks and financial institutions.
- (xi) In our opinion and according to the information and explanations given to us, the term loans have been applied on an overall basis for the purposes for which they were obtained.
- (xii) According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit nor have been informed of such case by the Management.

For S.DAGA & CO.,
Chartered Accountants,
(F.No.000669S)

(SHANTILAL DAGA)
M.No.11617
Partner

Place : Hyderabad
Date : 25.05.2015



POKARNA LIMITED

BALANCE SHEET

Rupees in Lacs

	Notes	As at 31.03.2015	As at 31.03.2014
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2.1	620.08	620.08
Reserves & Surplus	2.2	9994.87	8766.92
		10614.95	9387.00
Non-Current Liabilities			
Long-term Borrowings	2.3	5450.94	5489.02
Deferred Tax Liabilities	2.4	252.12	451.65
Other Long-term Liabilities	2.5	792.17	581.65
Long-term Provisions	2.7	95.07	59.12
		6590.30	6581.44
Current Liabilities			
Short-term Borrowings	2.3	3028.63	3431.85
Trade Payables	2.6	1742.70	1517.38
Other Current Liabilities	2.5	2923.11	4490.43
Short-term Provisions	2.7	1304.41	930.19
		8998.85	10369.85
Total		26204.10	26338.29
ASSETS			
Non-current Assets			
Fixed Assets			
Tangible Assets	2.8	8334.17	8491.45
Intangible Assets	2.8	-	38.28
Capital Work-In-Progress		437.37	155.73
Non-current Investments	2.9	6115.88	6115.88
Long-term Loans and Advances	2.10	884.14	3625.92
Other Non-current Assets	2.11	61.30	56.56
		15832.86	18483.82
Current Assets			
Inventories	2.12	3628.38	3295.61
Trade Receivables	2.13	3897.17	3466.63
Cash and Bank Balances	2.14	425.18	458.97
Short-term Loans and Advances	2.10	2406.01	619.11
Other Current Assets	2.11	14.50	14.15
		10371.24	7854.47
Total		26204.10	26338.29
Significant Accounting Policies	1		
Notes on Financial Statements	2		
The accompanying notes are an integral part of financial statements			

As per our report attached

For and on behalf of Board of Directors

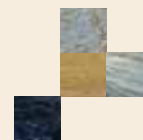
For **S. Daga & Co.**
Chartered Accountants
(F.No. 000669S)

Shantilal Daga
Partner
Membership No. 11617

Place : Hyderabad
Date : 25.05.2015

Gautam Chand Jain
Meka Yugandhar
Thati Venkataswamy Chowdary
Mahender Chand
Prakash Chand Jain
Rahul Jain
Apurva Jain
M Viswanatha Reddy
Paruchuru Vinay

Chairman & Managing Director
Director
Director
Director
Director
Executive Director
Executive Director
Chief Financial Officer
Company Secretary



POKARNA LIMITED

STATEMENT OF PROFIT & LOSS

Rupees in Lacs

	Notes	For The Year Ended 31.03.2015	For The Year Ended 31.03.2014
INCOME			
Revenue from Operations (gross)	2.15	19355.56	17268.46
Less :Excise Duty		292.62	346.21
Revenue from Operations (net)		19062.94	16922.25
Other Income	2.16	530.42	127.00
Total		19593.36	17049.25
EXPENSES			
Cost of Raw Material and Components consumed	2.17	3294.74	2712.19
Purchase of Traded Goods	2.18	142.28	268.54
(Increase) / Decrease in Inventories of Finished Goods, Work-in-Progress and Traded Goods	2.19	(200.57)	278.45
Employee Benefits Expense	2.20	2644.66	2056.27
Other Expenses	2.21	8833.45	8998.93
Total		14714.56	14314.38
Earnings Before Interest, Tax, Depreciation		4878.80	2734.87
Depreciation	2.22	1124.19	972.87
Finance Costs	2.23	1222.73	1038.00
Profit Before Tax		2531.88	724.00
Tax Expenses			
Current Tax		1016.51	301.64
Deferred Tax		(110.12)	(65.51)
Prior year tax		-	-
Total Tax Expenses		906.39	236.13
Profit After Tax		1625.49	487.87
Earnings Per Share - Basic (in ₹)		26.21	7.87
Earnings Per Share - Diluted (in ₹)		26.21	7.87
(Par value of ₹ 10/- each)			
Significant Accounting Policies	1		
Notes on Financial Statements	2		
The accompanying notes are an integral part of financial statements			

As per our report attached

For and on behalf of Board of Directors

For **S. Daga & Co.**
Chartered Accountants
(E.No. 000669S)

Shantilal Daga
Partner
Membership No. 11617

Place : Hyderabad
Date : 25.05.2015

Gautam Chand Jain	Chairman & Managing Director
Meka Yugandhar	Director
Thati Venkataswamy Chowdary	Director
Mahender Chand	Director
Prakash Chand Jain	Director
Rahul Jain	Executive Director
Apurva Jain	Executive Director
M Viswanatha Reddy	Chief Financial Officer
Paruchuru Vinay	Company Secretary



POKARNA LIMITED

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CASH FLOW STATEMENT

Rupees in Lacs

	For The Year Ended 31.03.2015	For The Year Ended 31.03.2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit Before Tax	2531.88	724.00
Adjustments:		
Depreciation and amortization expense	1124.19	972.87
Loss/(profit) on sale of fixed assets	43.14	28.71
Unrealized foreign exchange (gain) / loss, net	(70.85)	108.66
Provision for Doubtful Debts	(10.47)	0.11
Interest expense	1222.73	1038.00
Interest income	(198.12)	(41.79)
Operating profit before working capital changes	4642.50	2830.56
Changes in working capital and other provisions:		
Trade receivables	(404.42)	(916.35)
Inventories	(332.77)	66.49
Loans and advances and other assets	(1226.37)	500.13
Other Liabilities and provisions	(959.99)	(2965.20)
Cash generated from operations	1718.95	(484.37)
Income taxes paid, net	(331.44)	(228.37)
Net cash flow generated by operating activities	1387.51	(712.74)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets and changes in capital work in progress	(1553.30)	(497.30)
Proceeds from sale of fixed assets	36.83	29.69
Long term loans and advances given to subsidiaries	2038.51	(648.25)
Interest income	198.12	41.79
Net cash used in investing activities	720.16	(1074.07)
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank Borrowings	285.55	2837.29
Other Borrowings	(1093.94)	(219.99)
Interest expense	(1222.73)	(1038.00)
Dividend paid	(145.10)	-
Net cash generated in financing activities	(2176.22)	1579.30
Net Increase/ (Decrease) in Cash and Cash Equivalents	(68.55)	(207.51)
Add: Cash and Cash equivalents at the beginning of the year	169.77	391.94
Effect of exchange gain on cash and cash equivalents	10.59	(14.66)
Cash and cash equivalents at the end of the year	111.81	169.77
Significant Accounting Policies	1	
Notes on Financial Statements	2	
The accompanying notes are an integral part of financial statements		

As per our report attached

For and on behalf of Board of Directors

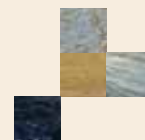
For **S. Daga & Co.**
Chartered Accountants
(E.No. 000669S)

Shantilal Daga
Partner
Membership No. 11617

Place : Hyderabad
Date : 25.05.2015

Gautam Chand Jain
Meka Yugandhar
Thati Venkataswamy Chowdary
Mahender Chand
Prakash Chand Jain
Rahul Jain
Apurva Jain
M Viswanatha Reddy
Paruchuru Vinay

Chairman & Managing Director
Director
Director
Director
Director
Executive Director
Executive Director
Chief Financial Officer
Company Secretary



POKARNA LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS



1. Significant Accounting Policies

A Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention on accrual basis to comply in all material aspects and in accordance with Indian Generally Accepted Accounting Principles (GAAP), which comprises of mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified). The accounting policies have been consistently applied by the Company unless otherwise stated.

B Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

C Revenue Recognition

- (i) The company recognises revenues on the sale of products, net of discounts and sales incentives, when the products are dispatched / delivered to the customer/ dealer or when delivered to the carrier for export sales, which is when risks and rewards of ownership pass to the customer /dealer.
- (ii) Revenue is recognized when it is earned and no significant uncertainty exists as to its realization or collection.
- (iii) Revenue from services is recognized as per the terms of the contracts with the customers when the services are performed.
- (iv) Interest is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- (v) Dividend income is recognized when the company's right to receive dividend is established.
- (vi) Export entitlements under the duty remission scheme are recognized as income when the right to receive the credit as per the terms of the scheme is established in respect of the exports made.

D Recognition of Expenditure

Expenses are accounted for on an accrual basis and provision is made for all known losses and liabilities.

E Fixed Assets

- (i) Fixed Assets are stated at cost less accumulated depreciation and impairment loss, if any.
- (ii) The cost of Fixed Asset comprises its purchase price, including non-refundable taxes & duties and directly attributable cost of bringing the asset (including leasehold improvements) to its working condition for its intended use.
- (iii) All costs, including borrowing costs till commencement of commercial production, attributable to fixed assets are capitalized.

F Intangible Assets

Intangible assets are stated at cost less accumulated amortization. Intangible assets are amortized on a straight line basis over their estimated useful life of 10 years.

G Impairment of Assets

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. An asset is impaired when the carrying amount of the asset exceeds the recoverable amount. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. An impairment loss recognized in prior accounting periods is reversed if there has been change in the estimate of the recoverable amount.



POKARNA LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS



H Capital Work-in-Progress

Capital work-in-progress comprises cost of fixed assets that are not yet ready for their intended use at the balance sheet date.

I Depreciation

Depreciation on fixed assets is provided on straight line method, at the rates and in the manner prescribed in Schedule II to the Companies Act, 2013.

Capital expenditure and improvements on lease hold property is amortized over the lease period or useful life of the asset, whichever is less.

J Investments

Current investments are carried at lower of cost and quoted / fair value, computed category wise. Long Term Investments are stated at cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary.

K Inventories

Inventories are valued at the lower of cost and net realizable value. Obsolete, slow moving and defective inventories are identified at the time of physical verification and necessary provision is made for such inventories. The cost is determined using the first-in-first out method for all categories of inventories. Cost includes in case of Raw materials, Stores & spares and consumables the purchase price and attributable direct cost less discounts. In case of work-in-process and finished goods cost includes direct labour, material costs and production overheads.

L Employee Benefits

Short-term employee benefits are recognized as an expense in the Statement of Profit and Loss of the year in which the related service is rendered.

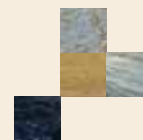
Post employment and other long term employee benefits are recognized as an expense in the statement profit and loss for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the Statement of Profit and Loss.

M Foreign Currency Transactions

- (i) Transactions denominated in foreign currencies are normally recorded at the exchange rates prevailing on the date of transaction.
- (ii) Monetary assets & liabilities denominated in foreign currencies are restated at the appropriate rates of exchange prevailing on the date of Balance Sheet. Resultant gain or loss is accounted during the year.
- (iii) Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit and Loss.
- (iv) In respect of Forward Exchange contracts entered into to hedge foreign currency risks, the difference between the forward rate and exchange rate at the inception of the contract is recognized as income or expense over the life of the contract. Further, the exchange differences arising on such contracts are recognized as income or expense along with the exchange differences on the underlying assets / liabilities. Further, in case of other contracts with committed exchange rates, the underlying is accounted at the rate so committed. Profit or loss on cancellations / renewals of forward contracts is recognized during the year. In case of option contracts, the losses are accounted on mark to market basis.

N Leases

Operating lease payments are recognized as expense in the Statement of Profit and Loss on a straight-line basis over the lease term.



POKARNA LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

O Borrowing Cost

Interest and other borrowing costs attributable to qualifying assets are capitalized. Other interest and borrowing costs are charged to statement of Profit & Loss.

P Provisions, Contingent Liabilities and Contingent Assets

(i) Provisions: Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

(ii) Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

(iii) Contingent Assets: Contingent Assets are neither recognised or disclosed in the financial statements.

Q Accounting for Taxes on Income

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from “timing difference” between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. Deferred tax asset is recognised and carried forward only to the extent that there is a virtual certainty that the asset will be realised in future.

2. Notes to Financial Statements:

Rupees In Lacs

31.03.2015 31.03.2014

2.1 Share Capital

Authorized:

2,00,00,000 (2,00,00,000) Equity Shares

of ₹ 10/- each

2000.00 2000.00

Issued, Subscribed and Paid-up:

62,00,800 (62,00,800) Equity Shares

of ₹ 10/- each fully paid-up

620.08 620.08

Total

620.08 620.08

2.1.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity Shares	No. of Shares	No. of shares
At the beginning of the period	6200800	6200800
Issued during the period	-	-
Outstanding at the end of the period	6200800	6200800

2.1.2 Terms / rights attached to equity shares:

The company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31 March 2015 the amount of per share dividend recognised as distribution to equity shareholders was ₹ 3.00 (previous year -2/-)



POKARNA LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

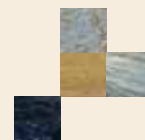
In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

2.1.3 Details of shareholders holding more than 5% shares in the company

	31.03.2015		31.03.2014	
	No. of shares	% holding	No. of shares	% holding
Equity shares of ₹ 10/- each fully paid				
Gautam Chand Jain	500000	8.06	500000	8.06
Prakash Chand Jain	500000	8.06	500000	8.06
Ashok Chand Jain	600000	9.68	600000	9.68
Raaj Kumar Jain	510150	8.23	510150	8.23
Dilip Kumar Jain	500000	8.06	500000	8.06
			31.03.2015	31.03.2014

2.2 Reserves and Surplus

Capital Subsidy		15.00		15.00
Share Premium		73.96		73.96
General Reserve				
Balance at the beginning of the Year	980.36		943.76	
Add: Transfer from Surplus	-	980.36	36.60	980.36
FCCB Redemption Reserve				
Opening Balance	1479.05		4514.31	
Less: Transferred to Surplus on redemption	1479.05	-	3035.26	1479.05
Surplus - Balance in Statement of Profit & Loss				
Opening Balance	6218.55		2877.12	
Add: Profit for the year	1625.49		487.87	
	7844.04		3364.99	
Add: Trd. from FCCB Redemption reserve on redemption	1479.05		3035.26	
Less: General Reserve	-		36.60	
Less: Proposed Dividend	186.02		124.02	
Less: Tax on proposed Dividend	37.87		21.08	
Less: Adjustment of carrying amount of assets (net of tax of ₹ 89.42 lacs) pursuant to enactment of Schedule -II to the Companies Act,2013	173.65		-	
		8925.55		6218.55
Total		9994.87		8766.92



POKARNA LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

2.3 Borrowings

A. Long-term Borrowings

	Non-current portion		Current maturities	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Secured				
Term Loans				
Indian Rupee Loans from Banks	104.90	88.38	250.00	646.87
External Commercial Borrowing from Banks	2650.46	2606.80	965.69	927.25
Hire Purchase Loans				
Banks	101.00	41.72	57.05	53.10
Others	208.56	156.47	263.35	342.81
Unsecured				
Loans & Advances from Related Parties				
Loans from Directors	525.15	1195.15	-	-
Inter Corporate Deposits	1400.50	1400.50	-	-
Loans & Advances from Others				
Inter Corporate Deposits	460.37	-	22.76	-
	5450.94	5489.02	1558.85	1970.03
Amount disclosed under the head "Other Current Liabilities" (Note.2.5(B))			(1558.85)	(1970.03)
Total	5450.94	5489.02	-	-

B. Short-term Borrowings

Secured

From Banks

- Working Capital Loan

3028.63 2552.15

Unsecured

From Others - Inter Corporate Deposit

- 879.70

Total

3028.63 3431.85

2.3.1 Term Loans & Working capital facilities from Union Bank of India, Hyderabad, are secured by hypothecation of first charge on all immovable and movable properties including machineries, current assets such as inventories, book debts and other receivables of the company, both present and future besides personal properties of some of the directors and guarantee of the Directors (other than independent directors).

2.3.2 External Commercial Borrowings from Union Bank of India, Hong Kong Branch are secured by way of extension of charge on fixed assets of the company.

2.3.3 **Maturity profile of Term Loans from banks are as set out below:**

	2015-16	2016-17	2017-18	2018-19
Rupee Term Loan				
14.35%	250.00	104.90	-	-
External Commercial Borrowings				
Six months Libor plus 350 bps	965.69	965.69	965.69	719.08

2.3.4 Hire Purchase loans are secured by hypothecation of respective assets purchased out of finance, and personal guarantee of some of the Directors (other than independent directors).



POKARNA LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

	31.03.2015	31.03.2014
2.4 Deferred Tax Liabilities (Net)		
Deferred Tax Liabilities		
Depreciation	256.89	459.98
	256.89	459.98
Deferred Tax Asset		
Others	-	-
Provision for Doubtful Debts	4.77	8.33
	4.77	8.33
Total	252.12	451.65
2.5 Other Liabilities		
A. Other Long-Term Liabilities		
Security Deposit	60.00	60.00
Interest accrued but not due on borrowings	732.17	521.65
Total	792.17	581.65
B. Other Current Liabilities		
Advance from Customers	451.28	189.97
Creditors for Capital Expenditure	27.81	98.10
Zero Coupon Foreign Currency Convertible Bonds (refer note 2.5.1)	-	1479.06
Current Maturities of Long term Borrowings (refer note.2.3(A))	1558.85	1970.03
Interest accrued but not due on borrowings	44.08	36.49
Interest accrued and due on borrowings	-	5.01
Statutory Liabilities	83.34	69.45
Unpaid Dividend	12.57	3.48
Other Payables	745.18	638.84
Total	2923.11	4490.43
2.5.1 The outstanding 2461 Zero coupon Foreign Currency Convertible Bonds, which were matured for payment on 29th March,2012, have been redeemed during the year.		
2.6 Trade Payables		
Trade Payables	1742.70	1517.38
Total	1742.70	1517.38



POKARNA LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

	31.03.2015	31.03.2014
2.7 Provisions		
A. Long-term Provisions		
Provision for Employee Benefits		
Provision for Gratuity	56.18	36.71
Provision for Compensated absences	38.89	22.41
Total	95.07	59.12
B. Short-term Provisions		
Provision for Gratuity	13.09	5.80
Provision for Compensated absences	45.24	43.58
Provision for Premium on FCCB's (refer note 2.7.1 & 2.7.2)	-	434.07
Provision for Tax	1022.19	301.64
Provision for Proposed Dividend	186.02	124.02
Provision for tax on Proposed Dividend	37.87	21.08
Total	1304.41	930.19

Particulars	Opening Balance	Restatement / payment	Gain on redemption	Closing Balance
2.7.1 Provision for premium on FCCB's	434.07	41.07	-475.14	-

2.7.2 The gain / benefit, cost, charges including foreign exchange gain / loss on FCCB's during the year are transferred to Pokarna Engineered Stone Limited (subsidiary) as per the Scheme of Arrangement sanctioned by Hon'ble Andhra Pradesh High Court and agreement thereto.



POKARNA LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

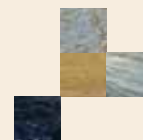
Notes – 2.8

Fixed Assets

Description	Gross Block		Upto As on 31.03.2014	Depreciation		Net Block	
	As on 01.04.2014	Deletions		As on 31.03.2015	For the Adjustments Period	As on 31.03.2015	As on 31.03.2014
Tangible Assets:							
Land - Freehold*	486.30 (486.30)	23.09 -	509.39 (486.30)	- -	- -	509.39 (486.30)	486.30 (486.30)
Buildings	55.81 (55.81)	- -	55.81 (55.81)	8.78 (7.87)	26.44 (0.91)	20.59 (47.03)	47.03 (47.94)
Factory & Quarry Buildings	2484.84 (2412.37)	190.73 (72.47)	2675.57 (2484.84)	714.27 (638.60)	144.63 (75.67)	1816.67 (1770.57)	1770.57 (1773.77)
Plant & Machinery	11338.40 (11208.53)	858.63 (200.43)	12035.06 (11338.40)	6034.08 (5348.90)	927.29 (735.94)	5217.54 (5304.32)	5304.32 (5859.63)
Vehicles	625.65 (594.60)	135.05 (108.73)	712.94 (625.65)	302.19 (311.29)	89.55 (54.46)	347.12 (323.46)	323.46 (283.31)
Furniture & Fixtures	771.63 (783.22)	11.75 (29.26)	718.28 (771.63)	328.84 (291.07)	92.97 (54.14)	321.61 (442.79)	442.79 (492.15)
Office Equipment	249.05 (196.03)	52.42 (53.02)	301.15 (249.05)	132.07 (118.60)	68.10 (13.47)	101.25 (116.98)	116.98 (77.43)
Total - (A)	16011.68 (15736.86)	1271.67 (463.91)	17008.20 (16011.68)	7520.23 (6716.33)	1348.98 (934.59)	8334.17 (8491.45)	8491.45 (9020.53)
Intangible Assets:							
Trade Marks & Brand Names	382.80 (382.80)	- -	382.80 (382.80)	344.52 (306.24)	38.28 (38.28)	- (38.28)	38.28 (76.56)
Total - (B)	382.80 (382.80)	- -	382.80 (382.80)	344.52 (306.24)	38.28 (38.28)	- (38.28)	38.28 (76.56)
Total - (A + B)	16394.48 (16119.66)	1271.67 (463.91)	17391.00 (16394.48)	7864.75 (7022.57)	**1387.26 (972.87)	8334.17 (8529.73)	8529.73 (9097.09)

Notes: * 2.8.1- includes cost of Land admeasuring Acres 2.11 cents, which has been disputed by third parties pending disposal.

** 2.8.2- includes adjustment of depreciation against retained earnings, pursuant to the provisions of Schedule II of the Companies Act, 2013 effective from 1st April 2014, in case of the assets whose useful life have ended, the carrying values, net of residual values as at 1st April 2014 amounting to ₹ 263.07 Lacs.



POKARNA LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

	31.03.2015	31.03.2014
2.9 Non-Current Investments		
Trade - Unquoted		
Fully Paid Up Long Term - At Cost		
In Subsidiary Companies -		
Equity Shares:		
1,00,000 Equity Shares of ₹ 10/- each		
of Pokarna Engineered Stone Limited	10.00	10.00
Debentures:		
Nil (p.y 1,25,21,932) Optionally Convertible		
Unsecured Debentures of ₹ 10/- each		
of Pokarna Engineered Stone Limited (refer note 2.9.1 & 2)	-	1252.19
6,10,58,764 (p.y 4,85,36,832) Optionally Convertible		
Unsecured Debentures - Series - II - of ₹ 10/- each		
of Pokarna Engineered Stone Limited (refer note 2.9.1 & 3)	6105.88	4853.69
Total	6115.88	6115.88

2.9.1 During the year 1,25,21,932 (p.y.4,85,36,832) Optionally Convertible Unsecured Debentures of ₹ 10/- each of Pokarna Engineered Stone Limited, have been converted into Series-II Optionally convertible Unsecured Debentures of ₹ 10/- each at the same terms and conditions with the existing debentures w.e.f. 17th January,2015, refer note no.2.9.3

2.9.2 Optionally Convertible Debentures

- a. The aforesaid Optionally Convertible Debentures were acquired for net consideration in terms of order of the Hon'ble High Court of Andhra Pradesh sanctioning Scheme of Arrangement between the Company and Pokarna Engineered Stone Limited for transfer of assets, liabilities and expenses.
- b. Terms and Conditions: Debentures are for tenor of 7 years from the date of allotment, during this period the option to convert / redeem shall vest solely with the Company. Upon maturity, failing the exercise of option by the company, the OCDs shall stand redeemed.
- c. Variable coupon / interest on debentures is computed as equivalent to all costs / expenditure incurred or income / gains / benefits earned including foreign exchange gain / loss associated with the FCCBs, which belong to and to be borne by Pokarna Engineered Stone Limited. Consequently, no interest is chargeable in respect of the OCD's after the date of redemption / conversion of the FCCBs.
- d. If OCDs are opted for redemption anytime before they are due for redemption, interest shall be payable in respect of the OCDs at the rate of 8% per annum. The coupon / interest on the OCDs shall accrue and be payable at the time of redemption of the OCDs.
- e. Conversion obligation: 15 (Fifteen) OCDs shall be convertible into 1 (One) equity share of ₹10/- each of Pokarna Engineered Stone Limited.



POKARNA LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

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2.9.3 Optionally Convertible Debentures - Series - II

- a. During the year the remaining part of existing Debentures i.e., 1,25,21,932 Optionally Convertible Unsecured Debentures of ₹ 10/- each have been converted into Optionally Convertible Debentures - Series-II debentures w.e.f. 17th January,2015.
- b. Terms and Conditions: Debentures are for tenor of 7 years from the date of allotment, during this period the option to convert / redeem shall vest solely with the company.
- c. Redemption obligation: Redeemable at par in cash
- d. Conversion obligation: 15 (Fifteen) OCDs shall be convertible into 1 (One) equity share of ₹ 10/- each of Pokarna Engineered Stone Limited.

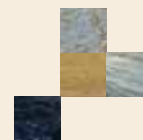
	31.03.2015	31.03.2014
2.10 Loans & Advances		
A. Long-term Loans and Advances		
Unsecured, considered good unless stated otherwise		
Capital Advances	158.32	441.83
Security Deposit	374.10	446.50
Other Advances	351.72	606.79
Advances to Subsidiary		
- Pokarna Engineered Stone Limited	-	2130.80
Total	884.14	3625.92

2.10.1 Security Deposit includes ₹ 64.81 lacs pledged to Mines & Geology department

2.10.2 Other Advances includes ₹ 92.06 Lacs towards consideration paid for Land admeasuring 49.87 Acres, which are in possession of the company. The title / conveyance / lease deeds in respect of these assets are pending for execution in favour of the company.

B. Short-term Loans and Advances

Unsecured, considered good unless stated otherwise		
Cenvat Credit Receivable	39.49	17.46
Balances with Customs & Excise Authorities	-	-
Advance for Material	147.68	185.81
Advance Income Tax	97.15	61.67
Loans to Employees	0.90	-
Prepaid Expenses	105.78	93.10
Other Advances	268.09	261.07
Advances to Subsidiary		
- Pokarna Engineered Stone Limited	1746.92	-
Total	2406.01	619.11



POKARNA LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

	31.03.2015	31.03.2014
2.11 Other Assets		
A. Other Non-current Assets		
Unsecured, considered good unless stated otherwise		
Non-current Bank Balances		
Deposits with maturity for more than 12 months		
Margin Money deposits	53.90	53.90
Interest accrued on fixed deposits	7.40	2.66
Total	61.30	56.56
B. Other Current Assets		
Unsecured, considered good unless stated otherwise		
Interest accrued on fixed deposits	14.50	14.15
Total	14.50	14.15
2.12 Inventories		
Raw Material (includes in transit ₹ 79.03 Lacs (p.y. ₹ 18.35 Lacs))	836.09	688.36
Work-in-progress	154.56	141.38
Finished Goods	1956.88	1740.91
Traded Goods	35.46	64.04
Consumables, Stores & Spares (includes in transit ₹ 0.96 Lacs (p.y. ₹ 0.25 Lacs))	566.64	613.68
Packing Material (includes in transit ₹ 0.77 Lacs (p.y. ₹ Nil Lacs))	78.75	47.24
Total	3628.38	3295.61
2.13 Trade Receivables		
Unsecured, considered good unless stated otherwise		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered good	593.66	405.82
Doubtful	14.04	24.51
Other Receivables		
Considered good	3303.51	3060.81
Doubtful	-	-
	3911.21	3491.14
Provision for doubtful receivables	14.04	24.51
Total	3897.17	3466.63
2.13.1 Trade Receivables include:		
Debts due from company in which the company's directors are directors		
- Pokarna Fashions Limited	336.97	204.37
- Pokarna Marketing Limited	-	9.38
	-	9.38



POKARNA LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

2.14 Cash and Bank Balances

	Non-current		Current	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Cash and Cash Equivalents				
Balances with Banks			75.80	90.62
Deposits – Margin Money				
with maturity less than 3 months			19.25	66.00
In unpaid Dividend Account			12.57	3.47
Cash in Hand			4.19	9.68
			111.81	169.77
Other Bank Balances				
Deposits – Margin Money				
with maturity for more than 3 months but less				
than 12 months			313.37	289.20
with maturity for more than 12 months	53.90	53.90		
Amount disclosed under the head “Other				
Non-current Assets” (Note.2.11(A))	(53.90)	(53.90)		
Total	-	-	425.18	458.97

2.15 Revenue from Operations

Sale of Products				
Finished Goods			19024.95	16720.63
Traded Goods			258.21	498.19
			19283.16	17218.82
Sale of Services			15.88	14.34
Other Operating Income				
Scrap Sales			56.52	35.30
Revenue from Operations (Gross)			19355.56	17268.46

Details of Products Sold

Finished Goods

Finished Granite			12585.36	11826.14
Raw Granite			5841.28	3783.94
Apparel			598.31	1110.55
			19024.95	16720.63

Traded Goods

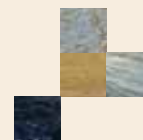
Finished Granite			130.18	160.98
Raw Granite			-	9.31
Apparel			16.20	59.54
Fabric			111.83	268.36
			258.21	498.19

Total

19283.16	17218.82
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Details of Services Rendered

Job work Charges			15.88	14.34
Total			15.88	14.34



POKARNA LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

	31.03.2015	31.03.2014
2.16 Other Income		
Interest income on		
Bank Deposits	35.14	32.30
Debentures	153.23	36.40
Others	9.75	9.49
Commission Income	0.36	0.40
Foreign Exchange Gain	196.73	-
Bad Debts Recovered	-	8.41
Miscellaneous Income	65.34	-
Provision for doubtful debts written back	10.47	-
Hire Charges Received	59.40	40.00
Gain / Benefits on redemption of FCCB's	549.97	43.73
Deduct: Reimbursed	549.97	(43.73)
Total	530.42	127.00

2.16.1 Gain / Benefit on redemption of FCCB's:

Gain / benefit arisen due to redemption of remaining 2461 (previous year 5839) FCCB's at a discounted price, has been reimbursed to Pokarna Engineered Stone Limited as per the Scheme of Arrangement and agreement thereto.

2.17 Cost of Raw Material and Components consumed

Opening Stock	737.94	608.78
Add: Purchases	3423.32	2841.35
	<u>4161.26</u>	<u>3450.13</u>
Less: Closing Stock	866.52	737.94
Total	3294.74	2712.19

Details of Raw Material and Components consumed

Raw Granite	2964.52	2402.33
Fabric	285.35	280.43
Consumables	44.87	29.43
Total	3294.74	2712.19

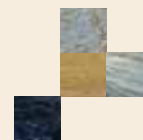
Details of Inventory

Raw Granite	684.57	593.21
Fabric	151.52	95.16
Consumables	30.43	49.57
Total	866.52	737.94



POKARNA LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

	31.03.2015	31.03.2014
2.18 Details of Purchase of Traded Goods		
Finished Granite	87.31	88.57
Apparel	(5.06)	22.35
Fabric	60.03	157.62
Total	142.28	268.54
2.19 (Increase) / Decrease in Inventories		
Opening Stock		
Finished Goods	1411.41	1781.02
Work-in-Process	141.38	94.23
Raw Granite	329.50	202.70
Traded Goods	64.04	146.83
	1946.33	2224.78
Less: Closing Stock		
Finished Goods	1504.38	1411.41
Work-in-Process	154.56	141.38
Raw Granite	452.50	329.50
Traded Goods	35.46	64.04
	2146.90	1946.33
Total	(200.57)	278.45
Details of Inventory		
Traded Goods		
Apparel	19.66	42.12
Fabric	15.80	21.92
Total	35.46	64.04
Work-In-Progress		
Finished Granite	144.71	92.49
Apparel	9.85	48.89
Total	154.56	141.38
Finished Goods		
Finished Granite	1129.91	1184.68
Raw Granite	452.50	329.50
Apparel	374.47	226.73
Total	1956.88	1740.91
2.20 Employee Benefit Expenses		
Salaries, Wages, Bonus & Allowances	2245.35	1783.30
Contribution to Provident Fund and Other Fund	124.78	112.56
Retirement Benefits	107.15	8.82
Staff Welfare Expenses	167.38	151.59
Total	2644.66	2056.27



POKARNA LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

	31.03.2015	31.03.2014
2.21 Other Expenses		
Consumption of Stores & Spares	2301.22	2193.64
Other processing & Job work exp.	231.83	420.97
Power and Fuel	1689.55	1701.65
Repairs and Maintenance:-		
- Plant and Machinery	94.87	110.81
- Building	15.44	14.28
- Others	60.06	62.48
Cutter and Driller Charges	450.93	431.31
Royalty on Quarry Land	7.45	12.74
Rent	302.67	327.43
Rates and Taxes	26.24	33.58
Insurance	83.07	69.15
Communication Charges	48.94	39.66
Printing & Stationery	21.22	18.26
Travelling & Conveyance Expenses	211.71	209.77
Electricity Charges	42.75	60.31
Vehicle Maintenance	83.80	90.98
Auditors Remuneration	8.49	5.40
Advertisement	13.48	4.46
Legal and Professional Charges	77.71	71.91
Commission to Non-Executive Directors	27.00	-
Directors Sitting Fees	6.86	2.30
Donations	3.38	10.66
Corporate Social Responsibility Activity Expenses	5.65	-
Fees & Subscriptions	6.88	7.75
Government Royalty and Dead Rent	715.52	654.36
Carriage Outwards	1216.80	1009.61
Sales Commission	67.18	44.30
Discounts and Claims	43.23	313.64
Business Promotion Expenses	366.36	331.55
Packing Material	282.87	299.80
Provision for Doubtful Debts	-	0.11
Excise Duty-Others	14.67	28.54
Sales Tax	146.76	159.03
Bank Charges	73.71	65.80
Foreign Exchange Loss	-	126.11
Impairment / Loss on sale of assets	43.14	28.71
Miscellaneous Expenses	42.01	37.87
Total	8833.45	8998.93



POKARNA LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

2.21.1 Auditors Remuneration

Particulars	31.03.2015	31.03.2014
Statutory Audit	5.00	3.50
Tax Audit	1.00	0.75
Certification	1.97	0.75
Out of Pocket expenses	0.21	0.16
Service Tax	0.31	0.24

2.22 Depreciation & Amortization

Depreciation on tangible assets	1085.91	934.59
Amortization on intangible assets	38.28	38.28
Total	1124.19	972.87

2.22.1 Depreciation & Amortization

In accordance with the provisions of Schedule II of the Companies Act, 2013 effective from 1st April 2014, the carrying value (net of residual value) amounting to ₹ 173.65 lacs (net of deferred tax of ₹ 89.42 lacs) as a transitional provision has been recognised in the retained earnings:

- Further, in case of assets acquired prior to 1st April, 2014, the carrying value of assets (net of residual value) is depreciated over the remaining useful life as determined effective 1st April, 2014.

- Depreciation and amortization expenses for the year would have been lower by ₹ 84.81 lacs, had the company continued with the previous assessment of useful life of such assets.

2.23 Finance Costs

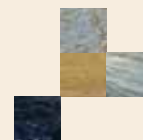
Interest on Borrowings:

- Banks	711.97	692.22
- Others	510.76	345.78

Other Borrowing Cost:

Cost of variable coupon on restatement of FCCB	133.36	223.95
Deduct :Amount transferred as charges for variable coupon / interest on debentures	(133.36)	(223.95)
Total	1222.73	1038.00

2.23.1 Variable coupon / interest on debentures has been computed as equivalent to all costs / expenditure incurred including foreign exchange gain / loss associated with the FCCBs, which belongs to and borne by its subsidiary, Pokarna Engineered Stone Limited and accordingly the same has been transferred.



POKARNA LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

2.24 1. Contingent Liabilities not provided for

Particulars	31.03.2015	31.03.2014
a) Bank Guarantees	-	1.22
b) Letter of Credits outstanding	326.28	223.39
Claims against the company / disputed liabilities not acknowledged as debts:		
c) Income tax matters, pending decisions on various appeals made by the company and by the Department. Amount deposited ₹ 12.47 Lakhs (previous year ₹ 12.47 Lakhs)	27.76	27.76
d) Excise matters (including service tax). Amount deposited ₹ 5.57 Lakhs (previous year ₹ 5.57 Lakhs)	238.61	233.60
e) Customs matters, Amount deposited ₹ 37.09 Lakhs (previous year ₹ 37.09 Lakhs)	75.91	75.91
f) Sales tax matters, Amount deposited ₹ 9.44 Lakhs (previous year ₹ Nil Lakhs)	112.28	-
g) Mines & Geology matters	138.20	138.20
h) Cross subsidy charges payable to Central Power Distribution Company	52.53	61.60
i) Fuel Surcharge adjustment (FSA) claim to the extent billed by Power distribution Companies of TG	5.29	-
j) Other Matters disputed	132.25	142.15
Other Commitments:		
k) The company is also involved in other lawsuits, claims, investigations and proceedings, including patent and commercial matters, which arise in the ordinary course of business. However, there are no material claims on such cases.		
2. Capital Commitments		
Estimated Amount of contracts remaining to be executed on Capital Account not provided for (net of advances)	1369.04	693.03

2.25 Financial and Derivative Instruments

Foreign currency exposure that are not hedged by derivative or forward contracts as on 31st March 2015	5752.85	8492.84
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2.26 Deferred Tax

Deferred Tax Liability

Others	-	-
Provision for Debtors	3.56	-
Total	3.56	-

Deferred Tax Asset

Provision for Debtors	-	0.41
Depreciation	113.68	65.10
Total	113.68	65.51

Net Deferred Tax Liability	(110.12)	(65.51)
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POKARNA LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

2.27 Related Party Transactions

- a) Enterprises where control exists:
Pokarna Engineered Stone Limited – 100% subsidiary
- b) Names of the Associate concerns:
Pokarna Fabrics Limited, Pokarna Fashions Limited, Pokarna Marketing Limited
- c) Names of the Associate Firms:
Southend, Southend Extension
- d) Other Related party
Karvy Computer Share Private Limited
- e) Names of Key Management Personnel
Gautam Chand Jain, Rahul Jain, Apurva Jain
- f) Names of Relatives
Prakash Chand Jain, Ashok Chand Jain, Raaj Kumar Jain, Rekha Jain, Nidhi Jain, Prathik Jain, Anju Jain, Neha Jain (Arrush Creations), Suvidh Chordia
- g) Disclosure of transactions between the company and related parties and the status of Outstanding balances for the year **2014-15** (2013-14)

Nature of the Transaction	Subsidiary	Associates/ other related parties	Key Management Personnel	Relatives	Total
Purchase of Goods / (returns)	-	21.72	-	(9.41)	12.31
	-	(19.26)	-	(15.41)	(34.67)
Sale of Goods / Services	-	282.90	-	3.90	286.80
	(8.22)	(477.52)	-	(7.32)	(493.06)
Remuneration to Directors (including commission)	-	-	288.51	-	288.51
	-	-	(68.47)	-	(68.47)
Director sitting fee & Commission to non-executive directors	-	-	-	5.70	5.70
	-	-	-	(0.06)	(0.06)
Salaries	-	-	-	1.00	1.00
	-	-	-	(10.86)	(10.86)
Rent paid	-	31.02	-	-	31.02
	-	(31.02)	-	-	(31.02)
Job Work	0.59	-	-	2.49	3.08
	-	-	-	-	-
Interest payable	-	168.06	52.31	76.66	297.03
	-	(126.24)	-	-	(126.24)
Cost of variable coupon on restatement of FCCB	133.36	-	-	-	133.36
	(223.95)	-	-	-	(223.95)
Gain / Benefits on redemption of FCCB transferred	1025.11	-	-	-	1025.11
	(751.30)	-	-	-	(751.30)
Interest on Debentures	153.23	-	-	-	153.23
	(36.40)	-	-	-	(36.40)
Folio Maintenance Charges	-	1.87	-	-	1.87
	-	-	-	-	-



POKARNA LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

Nature of the Transaction	Subsidiary	Associates/ other related parties	Key Management Personnel	Relatives	Total
Hire Charges	-	0.56	-	-	0.56
	-	-	-	-	-
Sale of Asset	15.61	-	-	-	15.61
	-	-	-	-	-
Loan Received	-	(26.00)	-	(416.00)	(442.00)
	-	-	396.00	274.00	670.00
Loan Repaid	-	-	(26.00)	(27.00)	(53.00)
	-	-	-	-	-
Loans & Advances given	75.14	-	-	-	75.14
	(76.79)	-	-	-	(76.79)
Balances as at 31/03/2015 – Receivable	1917.59	336.87	-	21.24	2275.70
	(2163.57)	(213.75)	-	(23.61)	(2400.93)
Balances as at 31/03/2015 – Payables	-	2172.78	320.47	489.23	2982.48
	-	(2022.21)	(491.15)	(747.44)	(3260.80)
Investments as on 31/03/2015	6115.88	-	-	-	6115.88
	(6115.88)	-	-	-	(6115.88)

Disclosure in respect of material related party transactions during the year:

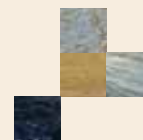
- Purchase of goods/ Returns includes to Pokarna Fabrics Limited ₹ 15.15 Lakhs (previous year ₹ 12.19 Lakhs), Pokarna Marketing Limited ₹ 4.19 Lakhs (previous year ₹ 5.34 Lakhs), Pokarna Fashions Limited ₹ 2.38 Lakhs (previous year ₹ 1.73 Lakhs), Aarush Creations ₹ -9.41 Lakhs (Previous year ₹ 15.41 lakhs)
- Sales of goods/ services include to Pokarna Engineered Stone Limited ₹ Nil Lakhs (previous year ₹ 8.22 Lakhs), Pokarna Fashions Limited ₹ 254.86 Lakhs (previous year ₹ 339.74 Lakhs), Pokarna Fabrics Limited ₹ Nil Lakhs (previous year ₹ 0.07 Lakhs), Pokarna Marketing Limited ₹ Nil Lakhs (Previous year ₹ 105.07 Lakhs) Southend ₹ 9.30 Lakhs (previous year ₹ 8.28 Lakhs), Southend Extension ₹ 18.74 Lakhs (previous year ₹ 24.36 Lakhs), Suvidh Chordia ₹ Nil Lakhs (Previous year ₹ 4.66 Lakhs), Ashok Chand Jain ₹ Nil Lakhs (Previous year ₹ 0.01 Lakhs), Aarush Creations ₹ Nil Lakhs (previous year ₹ 2.65 Lakhs), Prathik Jain ₹ 1.24 Lakhs (Previous year ₹ Nil Lakhs), Anju Jain ₹ 2.66 Lakhs (previous year ₹ Nil Lakhs)
- Remuneration to directors includes to Gautam Chand Jain ₹ 144.36 Lakhs (previous year ₹ 40.34 Lakhs), Rahul Jain ₹ 136.41 Lakhs (previous year ₹ 28.13 Lakhs), Apurva Jain ₹ 7.74 Lakhs (previous year ₹ Nil Lakhs)
- Director sitting fee and commission to non-executive directors includes amount paid to Prakash Chand Jain ₹ 5.70 Lakhs (previous year ₹ 0.06 Lakhs)
- Salary paid to Apurva Jain ₹ 1.00 (Previous year ₹ 5.43 Lakhs), Nidhi Jain ₹ Nil (Previous year ₹ 5.43 Lakhs)
- Rent paid to Pokarna Fabrics Limited ₹ 31.02 Lakhs (previous year ₹ 31.02 Lakhs)
- Job work to Pokarna Engineered Stone Ltd ₹ 0.59 (Previous Year ₹ Nil), Arrush Creations ₹ 2.49 (Previous year ₹ Nil)
- Interest payable to Pokarna Fabrics Limited ₹ 137.46 Lakhs (previous year ₹ 86.08 Lakhs), Pokarna Marketing Limited ₹ 30.60 Lakhs (previous year ₹ 40.16 Lakhs), Gautham Chand Jain ₹ 47.84 Lakhs (previous year ₹ Nil Lakhs), Rahul Jain ₹ 4.47 Lakhs (previous year ₹ Nil Lakhs), Prakash Chand Jain ₹ 76.66 Lakhs (previous year ₹ Nil Lakhs)
- Cost of variable coupon on restatement of FCCB to Pokarna Engineered Stone Limited ₹ 133.36 Lakhs (previous year ₹ 223.95 Lakhs)



10. Gain / Benefit on redemption of FCCB transferred to Pokarna Engineered Stone Limited ₹ 1025.11 Lakhs (previous year ₹ 751.30 Lakhs)
11. Interest received on Debentures from Pokarna Engineered Stone Limited ₹ 153.23 lakhs (Previous year ₹ 36.40 Lakhs)
12. Folio Maintenance charges paid to Karvy Computer Share Private Limited ₹ 1.87 Lakhs (previous year ₹ Nil Lakhs)
13. Hire charges paid to Karvy Computer Share Private Limited ₹ 0.56 Lakhs (previous year ₹ Nil Lakhs)
14. Sale of Asset to Pokarna Engineered Stone Limited ₹ 15.61 Lakhs (previous year ₹ Nil Lakhs)
15. Loan received includes from Pokarna Fabrics Limited ₹ Nil Lakhs (previous year ₹ 26.00 Lakhs), Prakash Chand Jain ₹ Nil Lakhs (previous year ₹ 416.00 Lakhs)
16. Loan repaid to Gautam Chand Jain ₹ 386.00 Lakhs (previous year ₹ 26.00 Lakhs), Rahul Jain ₹ 10.00 Lakhs (previous year ₹ Nil Lakhs), Prakash Chand Jain ₹ 274.00 Lakhs (previous year ₹ 27.00 Lakhs)
17. Advance given to Pokarna Engineered Stone Limited ₹ 75.14 lakhs (previous year ₹ 76.79 Lakhs)
18. Receivables include from Pokarna Engineered Stone Limited ₹ 1917.59 Lakhs (previous year ₹ 2163.56 Lakhs), Pokarna Fashions Limited ₹ 336.87 Lakhs (previous year ₹ 204.37 Lakhs), Pokarna Marketing Limited ₹ Nil Lakhs (Previous year ₹ 9.38 Lakhs), Raaj Kumar Jain ₹ 12.68 Lakhs (previous year ₹ 12.68 Lakhs), Suvindh Chordia ₹ 4.66 Lakhs (previous year ₹ 4.66 Lakhs), Arrush Creations ₹ Nil Lakhs (Previous year ₹ 6.27 Lakhs), Anju Jain ₹ 2.66 Lakhs (previous year ₹ Nil Lakhs), Prathik Jain ₹ 1.24 Lakhs (previous year ₹ Nil Lakhs)
19. Payables include to Pokarna Fabrics Limited ₹ 1754.94 Lakhs (previous year ₹ 1622.60 Lakhs), Pokarna Marketing Limited ₹ 378.90 Lakhs (previous year ₹ 350.21 Lakhs), Pokarna Fashions Limited ₹ 35.00 Lakhs (previous year ₹ 35.00 Lakhs), Southend Extension ₹ 3.66 Lakhs (previous year ₹ 14.40 Lakhs), Gautam Chand Jain ₹ 178.79 Lakhs (previous year ₹ 453.50 Lakhs), Rahul Jain ₹ 141.68 Lakhs (previous year ₹ 37.65 Lakhs), Prakash Chand Jain ₹ 482.45 Lakhs (previous year ₹ 704.00 Lakhs), Nidhi Jain ₹ Nil Lakhs (Previous year ₹ 5.43 Lakhs), Apurva Jain ₹ Nil Lakhs (Previous year ₹ 5.43 Lakhs), Arrush Creations ₹ 6.78 Lakhs (Previous year ₹ 32.58 Lakhs), Southend ₹ 0.03 Lakhs (previous year ₹ Nil Lakhs), Karvy Computer Share Private Limited ₹ 0.25 Lakhs (previous year ₹ Nil Lakhs)
20. Investments are in Pokarna Engineered Stone Limited ₹ 6115.88 Lakhs (previous year ₹ 6115.88 Lakhs)

2.28 Disclosure in accordance with Section 22 of Micro, Small and Medium Enterprises Development Act, 2006

Particulars	31.03.2015	31.03.2014
a) Principal amount remaining unpaid and interest due thereon	Nil	Nil
b) Interest paid in term of Section 16	Nil	Nil
c) Interest due and payable for the period of delay in payment	Nil	Nil
d) Interest accrued and remaining unpaid	Nil	Nil
e) Interest due and payable even in succeeding years	Nil	Nil



POKARNA LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company, regarding the status of registration of such vendor under the said Act, as per the intimation received from them on the request made by the company.

2.29 Earnings Per Share (EPS)

The numerators and denominators used to calculate Basic and Diluted Earnings per share

Particulars	31.03.2015	31.03.2014
Basic and Diluted Earnings Per Share		
Numerator for Basic earnings per share:		
Profit attributable to the Equity Share Holders	1625.49	487.87
Denominator for Basic earnings per share:		
Basic / Weighted Average number of shares	6200800	6200800
Basic Earnings Per Share (in ₹)	26.21	7.87

2.30 In accordance with AS-17 “Segment Reporting”, segment information has been given in the consolidated financial statements of **Pokarna Limited** and therefore no separate disclosure on segment information is given in these financial statements.

2.31 Employee Benefits:

Particulars		
Defined Contribution Plan		
Employer’s contribution to Provident Fund	103.31	88.49

Defined Benefit Plan

The employees’ gratuity fund scheme managed by a Trust (Life Insurance Corporation of India for Granite Division of the company) is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for Compensated Absence is recognized in the same manner as gratuity.

Particulars	Gratuity		Compensated Absence	
	(Funded)		(Unfunded)	
	Year Ended	Year Ended	Year Ended	Year Ended
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
a) Reconciliation of opening and closing balances of the present value of the Projected Benefit Obligation				
Projected Benefit Obligation				
at Beginning of year	208.18	215.44	27.23	23.11
Current service cost	44.61	33.50	32.71	22.96
Past Service Cost	-	-	-	-
Interest cost	17.21	16.50	1.95	1.70
Actuarial(Gain)/Loss	34.30	(35.75)	(6.45)	(16.66)
Benefits paid	(33.82)	(21.49)	(11.18)	(3.88)
Projected Benefit Obligation at year end	270.48	208.18	44.26	27.23
b) Reconciliation of opening and closing balances of Fair Value of plan assets				
Fair value of Plan asset at beginning of year	200.60	197.64	-	-
Adjustment of opening balance			-	-
Expected return on Plan Assets	17.31	16.70	-	-



POKARNA LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

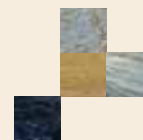
Particulars	Gratuity (Funded)		Compensated Absence (Unfunded)	
	Year Ended	Year Ended	Year Ended	Year Ended
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Actuarial(Gain)/Loss	(0.12)	(0.03)	-	-
Employer Contribution	17.24	7.78	11.18	3.88
Benefits Paid	(33.82)	(21.49)	(11.18)	(3.88)
Fair value of Plan asset at year end	201.21	200.60	-	-
c) Reconciliation of fair value of assets and Obligation				
Fair value of Plan assets	201.21	200.60	-	-
Present value of Projected Benefit obligation	270.48	208.18	44.26	27.23
Amount recognized in Balance Sheet	(69.27)	(7.58)	(44.26)	(27.23)
d) Expenses recognized during the year Under the head "Personnel Costs".				
Current service cost	44.61	33.50	32.71	22.96
Interest cost	17.21	16.50	1.95	1.71
Past Service Cost	-	-	-	-
Expected return on Plan Assets	(17.31)	(16.70)	-	-
Actuarial(Gain)/Loss	34.42	(35.75)	(6.45)	(16.66)
Income(-)/Expenses(+) recognized in the statement of Profit & Loss	78.93	(2.44)	28.21	8.01
e) Actuarial Assumptions				
	2006-08	1994-96	2006-08	1994-96
Mortality Table (L.I.C)	(Ultimate)	(Ultimate)	(Ultimate)	(Ultimate)
Discount rate (per annum)	7.77%	9.00%	7.77%	9.00%
Rate of escalation in salary (per annum)	6.25%	5.00%	6.25%	5.00%
Attrition Rate	7.50%	10.00%	7.50%	10.00%
Expected return on Plan assets – LIC	9.00%	8.75%	-	-
f) The estimates of future salary increases considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors.				
g) The company expects to contribute ₹ 10.00 Lakhs to its Gratuity plan for the next year.				

2.32 Leases:

The company has operating leases for Office premises and retail outlets, that are

- Renewable on a periodic basis and are cancellable by giving a notice period ranging from 1 month to 6 months and
- Are non-cancellable for specified periods under arrangements. Rent escalation clauses vary from contract to contract.

Particulars	31.03.2015	31.03.2014
Rent expenses included in Profit and Loss Account towards operating leases	302.67	327.43
Minimum Lease obligation under non-cancellable lease contracts amounts to:		
Within 1 year	247.72	299.92
After 1 year but before 5 years	990.88	1199.67
After 5 years	-	-
Total	1238.60	1499.59



POKARNA LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

2.33 Provisions

Particulars	Carrying amount as at April 1,2014	Additional Provisional made during the year	Amount written off during the year	Amount reversed during the year	Unused as at March 31, 2015
Provision for Doubtful Debts	24.51	-	-	10.47	14.04

2.34 a) Details of imported and indigenous raw materials, consumables, stores & spares consumed during the year:

Class of Goods		31.03.2015		31.03.2014	
		Value	%	Value	%
Raw Material	Imported	340.85	8.18	194.36	5.48
	Indigenous*	3827.77	91.82	3349.59	94.52
	Total	4168.62	100.00	3543.95	100.00
Consumables, Stores & Spares	Imported	1397.09	59.55	1358.48	61.11
	Indigenous	949.00	40.45	864.59	38.89
	Total	2346.09	100.00	2223.07	100.00

* Including inter unit transfer of 7005 CBM of ₹ 918.75 Lakhs (previous year 8046 CBM of ₹ 861.19 Lakhs)

b) Value of imports calculated on C.I.F basis in respect of:

Particulars	31.03.2015	31.03.2014
Raw Material	409.36	264.68
Consumables, Stores & Spares	1327.92	1495.87
Capital Items	720.87	23.08

c) Earnings in foreign currency

Revenue from Export Sales on FOB basis	13806.51	10581.42
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d) Expenditure in foreign currency

Travel & Conveyance	116.86	96.08
Business Promotion	185.36	178.44
Interest	137.83	123.74
Others	44.59	5.93

2.35 In accordance with the Companies (Account) Rules, 2014 a Statement containing salient features of the financial statements of subsidiary - Pokarna Engineered Stone Limited is annexed.

2.36 Previous year's figures have been regrouped, rearranged and reclassified, wherever considered necessary, in order to conform to the current year's presentation.

As per our report attached

For and on behalf of Board of Directors

For **S. Daga & Co.**
Chartered Accountants
(F.No. 000669S)

Shantilal Daga
Partner
Membership No. 11617

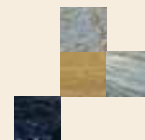
Place : Hyderabad
Date : 25.05.2015

Gautam Chand Jain	Chairman & Managing Director
Meka Yugandhar	Director
Thati Venkataswamy Chowdary	Director
Mahender Chand	Director
Prakash Chand Jain	Director
Rahul Jain	Executive Director
Apurva Jain	Executive Director
M Viswanatha Reddy	Chief Financial Officer
Paruchuru Vinay	Company Secretary



Statement containing salient features of the financial statement of subsidiaries

1	Sl.No.	1	
2	Name of the Subsidiary Company	Pokarna Engineered Stone Limited	
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	No	
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Indian subsidiary - Not Applicable	
		31.03.2015	31.03.2014
5	Share Capital	10.00	10.00
6	Reserves & Surplus	(5310.30)	(6810.86)
7	Total Assets	24929.10	25466.70
8	Total Liabilities	24929.10	25466.70
9	Investments	Nil	Nil
10	Turnover	13573.59	6149.45
11	Profit Before Taxation	1801.66	(449.17)
12	Provision for Taxation	290.64	(1129.01)
13	Profit After Taxation	1511.02	679.84
14	Proposed Dividend	Nil	Nil
15	% of Shareholding	100%	100%



POKARNA LIMITED



INDEPENDENT AUDITOR'S REPORT

To

The Board of Directors,
Pokarna Limited.

Report on the Financial Statements

1. We have audited the accompanying Consolidated Financial Statements ("CFS") of **Pokarna Limited** ("the Company") and its subsidiary ("the Pokarna Group"), which comprise the consolidated Balance Sheet as at 31st March 2015, the consolidated statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility to the Consolidated Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated Cash flows of the Pokarna Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility includes the design, implementation and maintenance of internal controls, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.



POKARNA LIMITED



Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:-
- i) in the case of the consolidated Balance Sheet, of the state of affairs of the Pokarna Group as at March 31, 2015;
 - ii) in the case of consolidated statement of Profit & Loss, of the profit of the Pokarna Group for the year ended on that date; and
 - iii) in the case of the consolidated Cash Flow statement of the cash flows of the Pokarna Group for the year ended on that date.

Emphasis of Matter

9. We draw attention to Note 2.3.4 (b) of the accompanying financial statements respect of contingency related to 'compensation payable in lieu of bank sacrifice' outcome of which is materially uncertain and cannot be determined currently. Our opinion is not qualified in respect of this matter.

For S.DAGA & CO.,
Chartered Accountants,
(F.No.000669S)

(SHANTILAL DAGA)
M.No.11617
Partner

Place : Hyderabad
Date : 25.05.2015



POKARNA LIMITED
CONSOLIDATED FINANCIAL STATEMENTS

BALANCE SHEET

Rupees in Lacs

	Notes	As at 31.03.2015	As at 31.03.2014
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2.1	620.08	620.08
Reserves & Surplus	2.2	4684.21	1956.07
		5304.29	2576.15
Non-Current Liabilities			
Long-term Borrowings	2.3	20077.51	20649.70
Other Long-term Liabilities	2.4	2152.16	1710.80
Long-term Provisions	2.5	119.29	72.50
		22348.96	22433.00
Current Liabilities			
Short-term Borrowings	2.3	5899.16	7052.99
Trade Payables	2.6	3115.96	2847.16
Other Current Liabilities	2.4	4752.62	6569.49
Short-term Provisions	2.5	1426.27	1161.03
		15194.01	17630.67
Total		42847.26	42639.82
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	2.7	24056.17	25828.21
Intangible Assets	2.7	-	38.28
Capital Work-In-Progress		560.08	263.40
Deferred Tax Asset (net)	2.8	591.65	677.36
Long-term Loans and Advances	2.9	869.92	1107.12
Other Non-current Assets	2.10	61.30	56.55
		26139.12	27970.92
Current Assets			
Inventories	2.11	7718.22	7990.38
Trade Receivables	2.12	6929.32	5326.76
Cash and Bank Balances	2.13	1202.83	653.08
Short-term Loans and Advances	2.9	835.78	681.83
Other Current Assets	2.10	21.99	16.85
		16708.14	14668.90
Total		42847.26	42639.82
Significant Accounting Policies	1		
Notes on Financial Statements	2		
The accompanying notes are an integral part of financial statements			

As per our report attached

For and on behalf of Board of Directors

For **S. Daga & Co.**
Chartered Accountants
(F.No. 000669S)

Shantilal Daga
Partner
Membership No. 11617

Place : Hyderabad
Date : 25.05.2015

Gautam Chand Jain
Meka Yugandhar
Thati Venkataswamy Chowdary
Mahender Chand
Prakash Chand Jain
Rahul Jain
Apurva Jain
M Viswanatha Reddy
Paruchuru Vinay

Chairman & Managing Director
Director
Director
Director
Director
Executive Director
Executive Director
Chief Financial Officer
Company Secretary



POKARNA LIMITED
CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF PROFIT & LOSS Rupees in Lacs

	Notes	For The Year Ended 31.03.2015	For The Year Ended 31.03.2014
INCOME			
Revenue from Operations (gross)	2.14	33369.53	23507.06
Less :Excise Duty / Customs Duty		733.60	443.59
Revenue from Operations (net)		32635.93	23063.47
Other Income	2.15	714.88	107.23
Total		33350.81	23170.70
EXPENSES			
Cost of Raw Material and Components consumed	2.16	8287.21	5690.29
Purchase of Traded Goods	2.17	142.28	268.54
(Increase) / Decrease in Inventories of Finished Goods, Work-in-Progress and Traded Goods	2.18	629.29	(830.00)
Employee Benefits Expense	2.19	3233.61	2500.17
Other Expenses	2.20	11986.13	10796.88
Total		24278.52	18425.88
Earnings before Interest, Tax, Depreciation and Amortization		9072.29	4744.82
Depreciation and Amortization	2.21	2307.82	2040.92
Finance Costs	2.22	3223.25	3176.70
Profit/(Loss) Before Extraordinary items & Tax		3541.22	(472.80)
Extraordinary Items	2.23	791.96	747.63
Profit / (Loss) Before Tax		4333.18	274.83
Tax Expenses			
Current Tax		1016.51	301.63
Deferred Tax		180.52	(1194.52)
Prior year tax		-	-
Total Tax Expenses		1197.03	(892.89)
Profit / (Loss) After Tax		3136.15	1167.72
Earnings Per Share - Basic & Diluted (in ₹)		50.58	18.83
(Par value of ₹ 10/- each)			
Significant Accounting Policies	1		
Notes on Financial Statements	2		
The accompanying notes are an integral part of financial statements			

As per our report attached

For **S. Daga & Co.**
Chartered Accountants
(F.No. 000669S)

Shantilal Daga
Partner
Membership No. 11617

Place : Hyderabad
Date : 25.05.2015

For and on behalf of Board of Directors

Gautam Chand Jain
Meka Yugandhar
Thati Venkataswamy Chowdary
Mahender Chand
Prakash Chand Jain
Rahul Jain
Apurva Jain
M Viswanatha Reddy
Paruchuru Vinay

Chairman & Managing Director
Director
Director
Director
Director
Executive Director
Executive Director
Chief Financial Officer
Company Secretary



POKARNA LIMITED
CONSOLIDATED FINANCIAL STATEMENTS

CASH FLOW STATEMENT

Rupees in Lacs

	For The Year Ended 31.03.2015	For The Year Ended 31.03.2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax and Extraordinary Items	3541.22	(472.80)
Adjustments:		
Depreciation and amortization expense	2307.82	2040.92
Loss/(profit) on sale of fixed assets	43.41	29.13
Unrealized foreign exchange (gain) / loss, net	27.62	348.38
Provision for Doubtful Debts	89.64	0.11
Provision for Warranties	111.00	-
Interest expense	3223.25	3176.70
Interest income	(62.16)	(57.46)
Operating profit before working capital changes	9281.80	5064.98
Changes in working capital and other provisions:		
Trade receivables	(1662.88)	(1716.72)
Inventories	272.16	(1095.31)
Loans and advances and other assets	55.34	(168.47)
Other Liabilities and provisions	(1536.24)	(3390.36)
Cash generated from operations	6410.18	(1305.88)
Income taxes paid, net	(332.32)	(229.31)
Net cash provided by operating activities	6077.86	(1535.19)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets and changes in capital work in progress	(1595.91)	(555.87)
Proceeds from sale of fixed assets	22.13	32.23
Interest income	62.16	57.46
Net cash used in investing activities	(1511.62)	(466.18)
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank Borrowings	(454.89)	3669.81
Other Borrowings	(1487.03)	(172.90)
Extraordinary Items (incl. ₹ 457.26 Lakhs adjusted in fixed assets)	1249.22	1283.02
Interest expense	(3223.25)	(3176.70)
Dividend paid	(145.10)	-
Net cash generated in financing activities	(4061.05)	1603.23
Net Increase / (Decrease) in Cash and Cash Equivalents	505.19	(398.14)
Cash and bank balances at the beginning of the year	286.61	699.41
Effect of exchange gain on cash and cash equivalents	10.59	(14.66)
Cash and bank balances at the end of the year	802.39	286.61

Significant Accounting Policies 1

Notes on Financial Statements 2

The accompanying notes are an integral part of financial statements

As per our report attached

For and on behalf of Board of Directors

For **S. Daga & Co.**
Chartered Accountants
(F.No. 000669S)

Shantilal Daga
Partner
Membership No. 11617

Place : Hyderabad
Date : 25.05.2015

Gautam Chand Jain
Meka Yugandhar
Thati Venkataswamy Chowdary
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Chairman & Managing Director
Director
Director
Director
Director
Executive Director
Executive Director
Chief Financial Officer
Company Secretary



POKARNA LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
NOTES FORMING PART OF FINANCIAL STATEMENTS

1. Significant Accounting Policies

A. Basis of Preparation of Financial Statements

The financial statements of the subsidiary used in the consolidation are drawn up to the same reporting date as that of the Parent Company i.e., year ended 31st March.

The financial statements are prepared under the historical cost convention on accrual basis to comply in all material aspects and in accordance with Indian Generally Accepted Accounting Principles (GAAP), which comprises of mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified). The accounting policies have been consistently applied by the Company unless otherwise stated.

Principles of Consolidation

The financial statements of the Parent Company and its subsidiaries have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and the unrealized profits.

The financial statements of the Parent Company and its subsidiaries have been consolidated using uniform accounting policies.

B. Other Significant Accounting Policies

A Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

B Revenue Recognition

- (i) The company recognises revenues on the sale of products, net of discounts and sales incentives, when the products are dispatched / delivered to the customer/ dealer or when delivered to the carrier for export sales, which is when risks and rewards of ownership pass to the customer /dealer.
- (ii) Revenue is recognized when it is earned and no significant uncertainty exists as to its realization or collection.
- (iii) Revenue from services is recognized as per the terms of the contracts with the customers when the services are performed.
- (iv) Interest is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- (v) Dividend income is recognized when the company's right to receive dividend is established.
- (vi) Export entitlements under the duty remission scheme are recognized as income when the right to receive the credit as per the terms of the scheme is established in respect of the exports made.

C Recognition of Expenditure

Expenses are accounted for on an accrual basis and provision is made for all known losses and liabilities.

D Fixed Assets

- (i) Fixed Assets are stated at cost less accumulated depreciation and impairment loss, if any.
- (ii) The cost of Fixed Asset comprises its purchase price, including non-refundable taxes & duties and directly attributable cost of bringing the asset (including leasehold improvements) to its working condition for its intended use.
- (iii) All costs, including borrowing costs till commencement of commercial production, attributable to fixed assets are capitalized.



POKARNA LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
NOTES FORMING PART OF FINANCIAL STATEMENTS



E Intangible Assets

Intangible assets are stated at cost less accumulated amortization. Intangible assets are amortized on a straight line basis over their estimated useful life of 10 years.

F Impairment of Assets

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. An asset is impaired when the carrying amount of the asset exceeds the recoverable amount. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. An impairment loss recognized in prior accounting periods is reversed if there has been change in the estimate of the recoverable amount.

G Capital Work-in-Progress

Capital work-in-progress comprises cost of fixed assets that are not yet ready for their intended use at the balance sheet date.

H Depreciation

Depreciation on fixed assets is provided on straight line method, at the rates and in the manner prescribed in Schedule II to the Companies Act, 2013.

Capital expenditure and improvements on lease hold property is amortized over the lease period or useful life of the asset, whichever is less.

I Investments

Current investments are carried at lower of cost and quoted / fair value, computed category wise. Long Term Investments are stated at cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary.

J Inventories

Inventories are valued at the lower of cost and net realizable value. Obsolete, slow moving and defective inventories are identified at the time of physical verification and necessary provision is made for such inventories. The cost is determined using the first-in-first out method for all categories of inventories. Cost includes in case of Raw materials, Stores & spares and consumables the purchase price and attributable direct cost less discounts. In case of work-in-process and finished goods cost includes direct labour, material costs and production overheads.

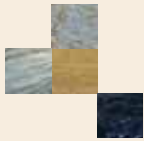
K Employee Benefits

Short-term employee benefits are recognized as an expense in the Statement of Profit and Loss of the year in which the related service is rendered.

Post employment and other long term employee benefits are recognized as an expense in the statement profit and loss for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the Statement of Profit and Loss.

L Foreign Currency Transactions

- (i) Transactions denominated in foreign currencies are normally recorded at the exchange rates prevailing on the date of transaction.
- (ii) Monetary assets & liabilities denominated in foreign currencies are restated at the appropriate rates of exchange prevailing on the date of Balance Sheet. Resultant gain or loss is accounted during the year.
- (iii) Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit and Loss.



POKARNA LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
NOTES FORMING PART OF FINANCIAL STATEMENTS

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(iv) In respect of Forward Exchange contracts entered into to hedge foreign currency risks, the difference between the forward rate and exchange rate at the inception of the contract is recognized as income or expense over the life of the contract. Further, the exchange differences arising on such contracts are recognized as income or expense along with the exchange differences on the underlying assets / liabilities. Further, in case of other contracts with committed exchange rates, the underlying is accounted at the rate so committed. Profit or loss on cancellations / renewals of forward contracts is recognized during the year. In case of option contracts, the losses are accounted on mark to market basis.

M Leases

Operating lease payments are recognized as expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

N Borrowing Cost

Interest and other borrowing costs attributable to qualifying assets are capitalized. Other interest and borrowing costs are charged to statement of Profit & Loss.

O Provisions, Contingent Liabilities and Contingent Assets

(i) Provisions: Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

(ii) Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

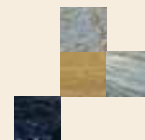
(iii) Contingent Assets: Contingent Assets are neither recognised or disclosed in the financial statements.

P Accounting for Taxes on Income

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from “timing difference” between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. Deferred tax asset is recognised and carried forward only to the extent that there is a virtual certainty that the asset will be realised in future.

2. Notes to Financial Statements:

- A. The Consolidated Financial Statements present the consolidated Accounts of Pokarna Limited with its wholly owned Indian subsidiary Pokarna Engineered Stone Limited.
- B. Significant Accounting Policies and Notes to these Consolidated Financial Statements are intended to serve as a means of informative disclosure and a guide to better understanding the consolidated position of the Companies. Recognizing this purpose, the Company has disclosed only such Policies and Notes from the individual financial statements, which fairly present the needed disclosures.



POKARNA LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
NOTES FORMING PART OF FINANCIAL STATEMENTS

Rupees in Lacs

31.03.2015 31.03.2014

2.1 Share Capital

Authorised:

2,00,00,000 (2,00,00,000) Equity Shares

of ₹ 10/- each

2000.00 2000.00

Issued, Subscribed and fully paid-up:

62,00,800 (62,00,800) Equity Shares

of ₹ 10/- each

620.08 620.08

Total

620.08 620.08

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity Shares	No. of Shares	No. of shares
At the beginning of the period	6200800	6200800
Issued during the period	-	-
Outstanding at the end of the period	6200800	6200800

Terms / rights attached to equity shares:

The company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Details of shareholders holding more than 5% shares in the company

	31.03.2015		31.03.2014	
	No. of shares	% holding	No. of shares	% holding
Equity shares of ₹ 10/- each fully paid				
Gautam Chand Jain	500000	8.06	500000	8.06
Prakash Chand Jain	500000	8.06	500000	8.06
Ashok Chand Jain	600000	9.68	600000	9.68
Raaj Kumar Jain	510150	8.23	510150	8.23
Dilip Kumar Jain	500000	8.06	500000	8.06



POKARNA LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
NOTES FORMING PART OF FINANCIAL STATEMENTS

2.2 Reserves and Surplus

	31.03.2015	31.03.2014
Capital Subsidy	15.00	15.00
Share Premium	73.96	73.96
General Reserve		
Balance at the beginning of the Year	980.36	943.76
Add: Transfer from Surplus	-	36.60
	980.36	980.36
FCCB Redemption Reserve		
Opening Balance	1479.05	4514.31
Less: Transferred to Surplus on redemption	1479.05	- 3035.26
	1479.05	1479.05
Surplus - Balance in Statement of Profit & Loss		
Opening Balance	(592.30)	(4613.58)
Add: Profit for the year	3136.15	1167.72
	2543.85	(3445.86)
Add: Transferred from FCCB Redemption reserve on redemption	1479.05	3035.26
Less: General Reserve	-	36.60
Less: Proposed Dividend	186.02	124.02
Less: Tax on proposed Dividend	37.87	21.08
Less: Adjustment of carrying amount of assets (net of tax of ₹ 94.81 lacs) pursuant to enactment of Schedule -II to the Companies Act,2013	184.12	-
	3614.89	(592.30)
Total	4684.21	1956.07

2.3 Borrowings:

A. Long-term Borrowings

	Non-current portion		Current maturities	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Secured				
Term Loans				
Indian Rupee Loans from Banks	8393.02	9763.70	1699.30	1963.41
External Commercial Borrowing from Banks	2650.46	2606.80	965.69	927.25
Hire Purchase Loans				
Banks	101.00	42.53	57.86	59.18
Others	216.42	176.00	274.70	352.83
Unsecured				
Loans & Advances from Related Parties				
Loans from Directors	3548.21	3810.27	-	-
Inter Corporate Deposits	4250.40	4250.40	-	-
Loans & Advances from Others				
Inter Corporate Deposits	918.00	-	45.13	-
	20077.51	20649.70	3042.68	3302.67
Amount disclosed under the head "Other Current Liabilities" (Note.2.4(B))			(3042.68)	(3302.67)
Total	20077.51	20649.70	-	-



POKARNA LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
NOTES FORMING PART OF FINANCIAL STATEMENTS

B. Short term Borrowings

	Current maturities	
	31.03.2015	31.03.2014
Secured		
From Banks		
- Working Capital Loan	5824.16	4827.60
Unsecured		
From Others - Inter Corporate Deposit	75.00	2225.39
Total	5899.16	7052.99

Nature of Security and terms of repayment for secured borrowings:

2.3.1 Term Loans & Working capital facilities from Union Bank of India, Hyderabad, are secured by hypothecation of first charge on all immovable and movable properties including machineries, current assets such as inventories, book debts and other receivables of the company, both present and future besides personal properties of some of the directors and guarantee of the Directors (other than independent directors).

2.3.2 External Commercial Borrowings from Union Bank of India, Hong Kong Branch are secured by way of extension of charge on fixed assets of the company.

Maturity profile of Term Loans from banks are as set out below:

	2015-16	2016-17	2017-18	2018-19
Rupee Term Loan				
14.35%	250.00	104.90	-	-
External Commercial Borrowings				
Six months Libor plus 350 bps	965.69	965.69	965.69	719.08

2.3.3 Hire Purchase loans are secured by hypothecation of respective assets purchased out of finance, and personal guarantee of some of the Directors (other than independent directors).

Subsidiary:

2.3.4 a. Term Loan & Working capital facilities from Union Bank of India, Bank of India & Indian Overseas Bank under consortium are secured by a first charge ranking pari-passu mortgage over leasehold interests under the Land Lease Agreement and Equitable mortgage of Buildings along with the Plant & Machinery including current assets such as inventories, book debts and other receivables both present and future of the company besides personal guarantee of the Directors (other than independent directors) and their relative. Further 51% of the shares held by Pokarna Limited in the company are also pledged against the borrowing from the Banks.

b. Term Loans and Working Capital facilities are restructured under Corporate Debt Restructuring ("CDR") mechanism on certain terms and conditions vide approval letter dt.17.01.2012 for a period upto 31.01.2021 and have executed a Master Restructuring Agreement ("MRA"). The MRA as well as the provisions of master circular on CDR issued by the Reserve Bank of India, give a right to the lenders to get a recompense of their waiver and sacrifices made as a part of the CDR proposal. The recompense payable by the company is contingent on various factors and conditions including improved performance of the borrower, the outcome of which currently is materially uncertain and hence the proportionate amount payable as recompense has been treated as contingent liability. The recompense amount payable in lieu of lenders sacrifice is computed by the management is ₹ 2359.00 lacs.

Maturity profile of Term Loans from banks are as set out below:

Rate of Interest	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
8% to 11%	1449.31	1449.31	1623.23	1652.21	1652.21	1911.16

2.3.5 Hire purchase loans are secured by hypothecation of respective assets purchased out of finance, and personal guarantee of some of the Directors (other than independent directors).



POKARNA LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
NOTES FORMING PART OF FINANCIAL STATEMENTS

	31.03.2015	31.03.2014
2.4 Other Liabilities:		
A. Other Long-Term Liabilities		
Security Deposits	60.00	60.00
Interest accrued but not due on borrowings	2092.16	1650.80
Total	2152.16	1710.80
B. Other Current Liabilities		
Advance from Customers	637.80	223.93
Creditors for Capital Expenditure	53.82	475.14
Zero Coupon Foreign Currency Convertible Bonds	-	1479.06
Current Maturities of Long Term Borrowings (refer note.2.3(A))	3042.68	3302.67
Interest accrued but not due on borrowings	44.07	36.49
Interest accrued and due on borrowings	-	212.30
Statutory Liabilities	132.51	120.80
Unpaid Dividend	12.57	3.47
Other Payables	829.17	715.63
Total	4752.62	6569.49
2.4.1 The outstanding 2461 Zero coupon Foreign Currency Convertible Bonds, which were matured for payment on 29th March,2012, have been redeemed during the year.		
2.5 Provisions:		
A. Long-term Provisions		
Provision for Employee Benefits		
Provision for Gratuity	75.13	47.29
Provision for Compensated absences	44.16	25.21
Total	119.29	72.50
B. Short-term Provisions		
Provision for Gratuity	13.77	6.12
Provision for Compensated absences	55.42	50.00
Provision for Premium on FCCB's	-	658.18
Provision for Warranties	111.00	-
Provision for Tax	1022.19	301.63
Provision for Proposed Dividend	186.02	124.02
Provision for tax on Proposed Dividend	37.87	21.08
Total	1426.27	1161.03
2.6 Trade Payables		
Trade Payables	3115.96	2847.16
Total	3115.96	2847.16

POKARNA LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
NOTES FORMING PART OF FINANCIAL STATEMENTS

Notes - 2.7

Description	Gross Block					Depreciation			Net Block	
	As on 01.04.2014	Additions	Deletions	As on 31.03.2015	Upto 31.03.2014	For the Period	Adjust- ments	As on 31.03.2015	As on 31.03.2014	
Tangible Assets:										
Land - Freehold*	486.30 (486.30)	23.09	-	509.39 (486.30)	-	-	-	509.39 (486.30)	486.30 (486.30)	
Land - Leasehold	1186.55 (1186.55)	-	-	1186.55 (1186.55)	240.09 (204.13)	35.96 (35.96)	-	910.50 (946.46)	946.46 (982.42)	
Buildings	730.98 (746.18)	-	13.15 (15.39)	717.83 (730.98)	53.44 (41.25)	304.14 (12.19)	-	360.25 (677.54)	677.54 (704.93)	
Factory & Quarry Buildings	6153.03 (6173.73)	190.73 (72.47)	79.57 (93.17)	6264.19 (6153.03)	1271.60 (1072.63)	264.86 (198.97)	-	4727.73 (4881.43)	4881.43 (5101.10)	
Plant & Machinery	27759.15 (28015.73)	868.43 (246.64)	516.22 (503.22)	28111.36 (27759.15)	10037.98 (8481.44)	1641.75 (1607.30)	143.84 (50.76)	16575.47 (17721.17)	17721.17 (19534.29)	
Vehicles	726.58 (701.32)	135.05 (108.73)	47.76 (83.47)	813.87 (726.58)	343.10 (344.23)	104.09 (65.27)	25.92 (66.40)	392.60 (383.48)	383.48 (357.09)	
Furniture & Fixtures	884.21 (896.91)	19.19 (29.63)	55.31 (42.33)	848.09 (884.21)	354.55 (309.65)	107.33 (61.27)	19.50 (16.37)	405.71 (529.66)	529.66 (587.26)	
Office Equipment	368.56 (309.04)	62.74 (59.52)	0.32	430.98 (368.56)	166.39 (144.71)	90.34 (21.68)	0.27	174.52 (202.17)	202.17 (164.33)	
Total -(A)	38295.36 (38515.76)	1299.23 (517.18)	712.33 (737.58)	38882.26 (38295.36)	12467.15 (10598.04)	2548.47 (2002.64)	189.53 (133.53)	24056.17 (25828.21)	25828.21 (27917.72)	
Intangible Assets:										
Trade Marks & Brand Names	382.80 (382.80)	-	-	382.80 (382.80)	344.52 (306.24)	38.28 (38.28)	-	-	38.28 (76.56)	
Total - (B)	382.80	-	-	382.80	344.52	38.28	-	-	38.28	
Total - (A+B) Previous Year	38678.16 (38898.56)	1299.23 (517.18)	712.33 (737.58)	39265.06 (38678.16)	12811.67 (10904.28)	**2586.74 (2040.92)	189.53 (133.53)	24056.17 (25866.49)	25866.49 (27994.28)	

Note: * 2.7.1 - includes cost of Land includes Acres 2.11 cents which has been disputed by third parties pending disposal.

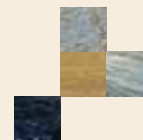
** 2.7.2 - includes adjustment of depreciation against retained earnings, pursuant to the provisions of Schedule II of the Companies Act, 2013 effective from 1st April 2014, in case of the assets whose useful life have ended, the carrying values, net of residual values as at 1st April 2014 amounting to ₹ 278.92 Lacs.

2.7.3 - The gross block of fixed assets have been adjusted by ₹ 457.26 Lakhs (p.y 535.39 Lakhs), equivalent to gain / benefit on redemption of FCCB's at a discounted price.



POKARNA LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
NOTES FORMING PART OF FINANCIAL STATEMENTS

	31.03.2015	31.03.2014
2.8 Deferred Tax Asset (Net)		
Deferred Tax Asset		
Carryover Losses	1662.97	1930.23
Provision for Doubtful Debts	38.80	8.33
Others	37.73	-
	1739.50	1938.56
Deferred Tax Liabilities		
Depreciation	1147.85	1261.20
	1147.85	1261.20
Total	591.65	677.36
2.9 Loans & Advances		
A. Long-Term Loans and Advances		
Unsecured, considered good unless stated otherwise		
Capital Advances	230.22	442.62
Security Deposit	438.98	504.88
Other Advances	200.72	159.62
Total	869.92	1107.12
B. Short-Term Loans and Advances		
Unsecured, considered good unless stated otherwise		
Cenvat Credit Receivable	39.49	17.45
Balance with Customs & Excise Authorities	-	0.10
Advance for Material	223.07	197.93
Advance Income Tax	100.92	64.55
Prepaid Expenses	133.60	111.75
Loans to Employees	0.90	-
Other Advances	337.80	290.05
Total	835.78	681.83
2.10 Other Assets		
A. Other Non-Current Assets		
Unsecured, considered good unless stated otherwise		
Non-current Bank Balances		
Deposits with maturity for more than 12 months		
Margin Money deposits	53.90	53.90
Interest accrued on fixed deposits	7.40	2.65
Total	61.30	56.55
B. Other Current Assets		
Unsecured, considered good unless stated otherwise		
Interest accrued on fixed deposits	21.99	16.85
Total	21.99	16.85



POKARNA LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
NOTES FORMING PART OF FINANCIAL STATEMENTS

	31.03.2015	31.03.2014
2.11 Inventories		
Raw Material (includes in transit ₹ 91.07 Lacs (p.y. ₹ 18.35 Lacs))	1240.05	985.94
Work-in-progress	903.45	821.39
Finished Goods	4452.73	5135.50
Traded Goods	35.46	64.04
Consumables, Stores & Spares (incl. in transit ₹ 6.16 Lacs (p.y. ₹ 0.25 Lacs))	980.75	931.58
Packing Material (incl. in transit ₹ 0.77 Lacs (p.y. ₹ Nil Lacs))	105.78	51.93
Total	7718.22	7990.38

2.12 Trade Receivables

Unsecured, considered good unless stated otherwise

Outstanding for a period exceeding six months from the date

they are due for payment

Considered good	718.52	562.13
Doubtful	114.15	24.51

Other Receivables

Considered good	6210.80	4764.63
Doubtful	-	-

7043.47 5351.27

Provision for doubtful receivables	114.15	24.51
------------------------------------	--------	-------

Total **6929.32** 5326.76

2.13 Cash and Bank Balances

	Non-current		Current	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Cash and Cash Equivalents				
Balances with Banks			671.46	112.58
Deposits - Margin Money				
with maturity less than three months			114.06	160.56
In unpaid Dividend Account			12.57	3.47
Cash in Hand			4.30	10.00
Other Bank Balances			802.39	286.61
Deposits - Margin Money				
with maturity for more 3 months but less than 12 months			400.44	366.47
with maturity for more than 12 months	53.90	53.90		
Amount disclosed under the head "Other Non-Current Assets" (Note.2.10(A))	(53.90)	(53.90)		
Total	-	-	1202.83	653.08



POKARNA LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
NOTES FORMING PART OF FINANCIAL STATEMENTS

	31.03.2015	31.03.2014
2.14 Revenue from Operations		
Sale of Products		
Finished Goods	33032.09	22955.95
Traded Goods	258.21	498.20
	<u>33290.30</u>	23454.15
Sale of Services	15.28	14.33
Other Operating Income		
Scrap Sales	63.95	38.58
Revenue from Operations (Gross)	<u>33369.53</u>	<u>23507.06</u>
Details of Products Sold		
Finished Goods		
Finished Granite	12585.36	11826.14
Raw Granite	5841.28	3783.94
Apparel	598.31	1102.32
Quartz Surfaces	14007.14	6243.55
	<u>33032.09</u>	22955.95
Traded Goods		
Finished Granite	130.18	160.99
Raw Granite	-	9.31
Apparel	16.20	59.54
Fabric	111.83	268.36
	<u>258.21</u>	498.20
Total	<u>33290.30</u>	<u>23454.15</u>
Details of Services Rendered		
Job work Charges	15.28	14.33
Total	<u>15.28</u>	<u>14.33</u>
2.15 Other Income		
Interest income on		
Bank Deposits	48.73	44.28
Others	13.43	13.18
Commission Income	0.36	0.40
Foreign Exchange Gain	516.21	-
Miscellaneous Income	66.20	0.96
Provision for doubtful debts written back	10.47	-
Bad Debts Recovered	-	8.41
Profit on Sale of Asset	0.08	-
Hire Charges Received	59.40	40.00
Total	<u>714.88</u>	<u>107.23</u>



POKARNA LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
NOTES FORMING PART OF FINANCIAL STATEMENTS

	31.03.2015	31.03.2014
2.16 Cost of Raw Material and Components consumed		
Opening Stock	1035.51	845.80
Add: Purchases	8522.18	5880.00
	<u>9557.69</u>	<u>6725.80</u>
Less: Closing Stock	1270.48	1035.51
Total	8287.21	5690.29
Details of Raw Material and Components consumed		
Raw Granite	2964.52	2394.11
Fabric	285.35	280.43
Quartz etc.,	4992.47	2986.32
Consumables	44.87	29.43
Total	8287.21	5690.29
Details of Inventory		
Raw Granite	684.56	593.21
Fabric	151.52	95.15
Quartz etc.,	403.97	297.58
Consumables	30.43	49.57
Total	1270.48	1035.51
2.17 Details of Purchase of Traded Goods		
Finished Granite	87.31	88.57
Apparel	(5.06)	22.35
Fabric	60.03	157.62
Total	142.28	268.54
2.18 (Increase) / Decrease in Inventories		
Opening Stock		
Finished Goods	4805.99	4374.99
Work-in-Process	821.39	466.41
Raw Granite	329.51	202.70
Traded Goods	64.04	146.83
	<u>6020.93</u>	<u>5190.93</u>
Less: Closing Stock		
Finished Goods	4000.23	4805.99
Work-in-Process	903.45	821.39
Raw Granite	452.50	329.51
Traded Goods	35.46	64.04
	<u>5391.64</u>	<u>6020.93</u>
Total	629.29	(830.00)



POKARNA LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
NOTES FORMING PART OF FINANCIAL STATEMENTS

	31.03.2015	31.03.2014
Details of Inventory		
Traded Goods		
Apparel	19.66	42.12
Fabric	15.80	21.92
Total	35.46	64.04
Work-In-Progress		
Finished Granite	144.71	92.49
Apparel	9.85	48.89
Quartz Surfaces	748.89	680.01
Total	903.45	821.39
Finished Goods		
Finished Granite	1129.91	1184.68
Raw Granite	452.50	329.51
Apparel	374.48	226.73
Quartz Surfaces	2495.84	3394.58
Total	4452.73	5135.50

2.19 Employee Benefit Expenses

Salaries, Wages, Bonus & Allowances	2749.16	2160.94
Contribution to Provident Fund and Other Fund	159.03	138.80
Retirement Benefits	121.16	6.98
Staff Welfare Expenses	204.26	193.45
Total	3233.61	2500.17

2.20 Other Expenses

Consumption of Stores & Spares	3540.45	2970.01
Other processing & Job work expenses	269.41	459.16
Power and Fuel	2102.67	2068.59
Repairs and Maintenance:-		
- Plant and Machinery	131.44	132.38
- Building	31.06	22.46
- Others	66.63	62.63
Cutter and Driller Charges	450.93	431.31
Royalty on Quarry Land	19.31	24.59
Rent	318.45	343.20
Rates and Taxes	51.43	54.05
Insurance	175.18	118.45
Communication Charges	53.34	43.37



POKARNA LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
NOTES FORMING PART OF FINANCIAL STATEMENTS

	31.03.2015	31.03.2014
Printing & Stationery	30.39	22.05
Travelling & Conveyance Expenses	241.67	235.50
Electricity Charges	50.88	66.78
Vehicle Maintenance	117.33	119.50
Auditors Remuneration	11.32	6.56
Advertisement	15.84	4.76
Legal and Professional Charges	113.10	122.42
Directors Sitting Fees	9.56	2.30
Commission to Non-Executive Directors	27.00	-
Donations	3.38	10.66
Corporate Social Responsibility Activity Expenses	5.65	-
Fees & Subscriptions	10.12	8.41
Government Royalty and Dead Rent	715.52	654.36
Carriage Outwards	1784.11	1158.88
Sales Commission	69.99	44.30
Discounts and Claims	62.77	328.90
Business Promotion Expenses	409.61	365.36
Packing Material	434.34	383.94
Provision for Doubtful Debts	100.11	0.11
Provision for Warranties	111.00	-
Excise Duty-Others	14.66	28.54
Sales Tax	187.03	170.31
Bank Charges	138.71	125.02
Foreign Exchange Loss	-	139.38
Loss of stock/assets due to cyclone	24.22	-
Impairment / Loss on sale of assets	43.49	29.13
Miscellaneous Expenses	44.03	39.51
Total	11986.13	10796.88



POKARNA LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
NOTES FORMING PART OF FINANCIAL STATEMENTS

	31.03.2015	31.03.2014
2.21 Depreciation & Amortization		
Depreciation of tangible assets	2269.54	2002.64
Amortization on intangible assets	38.28	38.28
Total	2307.82	2040.92

2.21.1 Depreciation & Amortization

In accordance with the provisions of Schedule II of the Companies Act, 2013 effective from 1st April 2014, the carrying value (net of residual value) amounting to ₹ 184.12 lacs (net of deferred tax of ₹ 94.81 lacs) as a transitional provision has been recognised in the retained earnings:

- Further, in case of assets acquired prior to 1st April, 2014, the carrying value of assets (net of residual value) is depreciated over the remaining useful life as determined effective 1st April, 2014.
- Depreciation and amortization expenses for the year would have been lower by ₹ 210.49 lacs, had the company continued with the previous assessment of useful life of such assets.

2.22 Finance Costs

Interest on Borrowings:

- Banks	2134.53	2027.59
- Others	955.36	930.66
Cost on variable coupon on restatement of FCCB	133.36	218.45
Total	3223.25	3176.70

Cost on variable coupon on restatement of FCCB

2.22.1 Variable coupon has been computed and accounted for as equivalent to all costs / expenditure incurred including foreign exchange gain / loss associated with the FCCBs.

2.23 Extra-ordinary Items

During the year, 2461 (py.5839) Zero coupon Foreign Currency Convertible Bonds were redeemed at a negotiated discount price, resulting in gain / benefit of ₹ 791.96 Lacs (py.747.63 Lacs). This has been disclosed separately as an Extra-Ordinary item in the financial statements.

2.24 1 Contingent Liabilities not provided for

Particulars		
a. Bank Guarantees	-	1.22
b. Letter of Credits outstanding	493.15	319.11
c. Bond-Cum-Legal Undertaking for Special Economic Zone Unit made in favour of President of India	6250.00	6250.00
Claims against the company / disputed liabilities not acknowledged as debts:		
d. Income tax matters, pending decisions on various appeals made by the company and by the Department. Amount deposited ₹ 12.47 Lakhs (previous year ₹ 12.47 Lakhs)	27.76	27.76
e. Excise matters (including service tax). Amount deposited ₹ 5.57 Lakhs (previous year ₹ 5.57 Lakhs)	238.61	233.60
f. Customs matters, Amount deposited ₹ 37.09 Lakhs (previous year ₹ 37.09 Lakhs)	75.91	75.91
g. Sales tax matters, Amount deposited ₹ 9.44 Lakhs (previous year ₹ Nil Lakhs)	112.28	-



POKARNA LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
NOTES FORMING PART OF FINANCIAL STATEMENTS

	31.03.2015	31.03.2014
h. Mines & Geology matters	138.20	138.20
i. Cross subsidy charges payable to Central Power Distribution Company	52.53	61.60
j. Fuel Surcharge adjustment (FSA) claim to the extent billed by Power distribution Companies of TG	6.14	0.85
k. Other Matters disputed	159.18	169.08
l. The recompense amount payable in lieu of lenders sacrifice, under CDR proposal, as computed by the management.	2359.00	2359.00
Other Commitments:		
m. The company is also involved in other lawsuits, claims, investigations and proceedings, including patent and commercial matters, which arise in the ordinary course of business. However, there are no material claims on such cases.		
2 Capital Commitments		
Estimated Amount of contracts remaining to be executed on Capital Account not provided for	1505.22	713.03
2.25 Financial and Derivative Instruments		
Foreign currency exposure that are not hedged by derivative or forward contracts as on 31st March 2015	8423.60	9817.49
2.26 Deferred Tax		
Particulars		
Deferred Tax Asset		
Depreciation	18.54	-
Carryover Losses	-	1930.23
Others	37.73	-
Provision for Debtors	30.47	0.41
Total	86.74	1930.64
Deferred Tax Liability		
Depreciation	-	736.12
Carryover Losses	267.26	-
Total	267.26	736.12
Net Deferred Tax Liability	180.52	(1194.52)
2.27 Related Party Transactions		
a) Names of the Associate concerns:		
Pokarna Fabrics Limited, Pokarna Fashions Limited, Pokarna Marketing Limited		
b) Names of the Associate Firms:		
Southend, Southend Extension		
c) Other Related Party		
Karvy Computer Share Private Limited		
d) Names of Key Management Personnel		
Gautam Chand Jain, Rahul Jain, Apurva Jain		



POKARNA LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
NOTES FORMING PART OF FINANCIAL STATEMENTS

e) Names of Relatives

Prakash Chand Jain, Ashok Chand Jain, Raaj Kumar Jain, Neha Jain (Arrush Creations), Nidhi Jain, Suvidh Chordia, Prathik Jain, Rekha Jain, Anju Jain

f) Disclosure of transactions between the company and related parties and the status of Outstanding balances for the year **2014-15** (2013-14)

Nature of the Transaction	Associates / other related parties	Key Management Personnel	Relatives	Total
Purchase of Goods / (returns)	22.10 (19.51)	-	(9.41) (15.41)	12.69 (34.92)
Sale of Goods	288.84 (477.52)	-	5.09 (29.33)	293.93 (506.85)
Remuneration to Directors (including commission)	-	288.51 (68.47)	-	288.51 (68.47)
Director sitting fee & Commission to non-executive directors	-	-	6.10 (0.06)	6.10 (0.06)
Salaries	-	-	1.00 (10.86)	1.00 (10.86)
Job Work	-	-	2.49 -	2.49 -
Rent paid	31.02 (31.02)	-	15.78 (15.78)	46.80 (46.80)
Interest Payable	424.55 (452.42)	52.31	76.66 -	553.52 (452.42)
Folio Maintenance Charges	1.87 -	-	-	1.87 -
Hire Charges	0.56 -	-	-	0.56 -
Sale of Asset	-	1.24 -	-	1.24 -
Loan Received	-	-	495.00 (416.00)	495.00 (453.85)
Loan Repaid	-	483.06 (26.00)	274.00 (27.00)	757.06 (57.85)
Balances as at 31/03/15- Receivable	341.58 (213.75)	1.24 -	44.45 (45.62)	387.27 (259.37)
Balances as at 31/03/15 – Payables	6337.74 (5956.33)	2609.96 (2867.70)	1267.73 (1045.31)	10215.43 (9869.34)



POKARNA LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
NOTES FORMING PART OF FINANCIAL STATEMENTS

Disclosure in respect of material related party transactions during the year:

1. Purchase of goods includes to Pokarna Fabrics Limited ₹ 15.53 Lakhs (previous year ₹ 12.44 Lakhs), Pokarna Marketing Limited ₹ 4.19 Lakhs (previous year ₹ 5.34 Lakhs), Pokarna Fashions Limited ₹ 2.38 Lakhs (previous year ₹ 1.73 Lakhs), Aarush Creations ₹ -9.41 Lakhs (previous year ₹ 15.41 Lakhs)
2. Sales of goods/ services includes to Pokarna Fashions Limited ₹ 260.80 Lakhs (previous year ₹ 339.74 Lakhs), Pokarna Fabrics Limited ₹ Nil Lakhs (previous year ₹ 0.07 Lakhs), Pokarna Marketing Limited ₹ Nil Lakhs (previous year ₹ 105.07 Lakhs), Southend ₹ 9.30 Lakhs (previous year ₹ 8.28 Lakhs), Southend Extension ₹ 18.74 Lakhs (previous year ₹ 24.36 Lakhs), Suvidh Chordia ₹ Nil Lakhs (previous year ₹ 26.67 Lakhs), Ashok Chand Jain ₹ Nil Lakhs (previous year ₹ 0.01 Lakhs), Arrush Creations ₹ Nil Laksh (previous year ₹ 2.65 Lakhs), Prakash Chand Jain ₹ 1.19 Lakhs (Previous year ₹ Nil Lakhs), Prathik Jain ₹ 1.24 Lakhs (Previous year ₹ Nil Lakhs), Anju Jain ₹ 2.66 Lakhs (Previous year ₹ Nil Lakhs)
3. Remuneration paid includes to Gautam Chand Jain ₹ 144.36 Lakhs (previous year ₹ 40.34 Lakhs), Rahul Jain ₹ 136.41Lakhs (previous year ₹ 28.13 Lakhs Lakhs), Apurva Jain ₹ 7.74 Lakhs (Previous year ₹ Nil Lakhs)
4. Director sitting fee and commission to non-executive directors includes amount paid to Prakash Chand Jain ₹ 6.10 Lakhs (previous year ₹ 0.06 Lakhs)
5. Salary paid to Apurva Jain for the year ₹ 1.00 (Previous year ₹ 5.43 Lakhs), Nidhi Jain for the year ₹ Nil (Previous year ₹ 5.43 Lakhs)
6. Job work to Arrush Creations ₹ 2.49 (Previous year ₹ Nil)
7. Rent paid to Pokarna Fabrics Limited ₹ 31.02 Lakhs (previous year ₹ 31.02 Lakhs), Rekha Jain ₹ 15.78 Lakhs (previous year ₹ 15.78 Lakhs)
8. Interest payable to Pokarna Fabrics Limited ₹ 342.20 Lakhs (previous year ₹ 323.91 Lakhs), Pokarna Marketing Limited ₹ 82.35 Lakhs (previous year ₹ 128.51 Lakhs),Gautam Chand Jain ₹ 47.84 Lakhs (previous year ₹ Nil Lakhs), Prakash Chand Jain ₹ 76.66 Lakhs (previous year ₹ Nil Lakhs),Rahul Jain ₹ 4.47 Lakhs (previous year ₹ Nil Lakhs)
9. Folio maintenance charges paid to Karvy Computer Share Private Limited ₹ 1.87 Lakhs (previous year ₹ Nil Lakhs)
10. Hire charges paid to Karvy Computer Share Private Limited ₹ 0.56 Lakhs (previous year ₹ Nil Lakhs)
11. Sale of Asset to Gautam Chand Jain ₹ 1.24 Lakhs (previous year ₹ Nil Lakhs)
12. Loan received includes from Pokarna Fabrics Limited ₹ Nil lakhs (previous year ₹ 37.85 Lakhs), Prakash Chand Jain ₹ 495.00 Lakhs (previous year ₹ 416.00 Lakhs)
13. Loan repaid to Pokarna Fabrics Limited ₹ Nil Lakhs (previous year ₹ 4.85 Lakhs),Gautam Chand Jain ₹ 473.06 Lakhs (previous year ₹ 26.00 Lakhs), Rahul Jain ₹ 10.00 Lakhs (previous year ₹ Nil Lakhs), Prakash Chand Jain ₹ 274.00 Lakhs (previous year ₹ 27.00 Lakhs)
14. Receivables include from Pokarna Fashions Limited ₹ 341.59 Lakhs (previous year ₹ 204.37 Lakhs), Pokarna Marketing Limited ₹ Nil Lakhs (previous year ₹ 9.38 Lakhs), Raaj Kumar Jain ₹ 12.68 Lakhs (previous year ₹ 12.68 Lakhs), Suvidh Chordia ₹ 26.67 Lakhs (previous year ₹ 26.67 Lakhs),Arrush Creations ₹ Nil Lakhs (previous year ₹ 6.27 Lakhs),Gautam Chand Jain ₹ 1.24 Lakhs (previous year ₹ Nil Lakhs), Prakash Chand Jain ₹ 1.19 Lakhs (previous year ₹ Nil Lakhs), Anju Jain ₹ 2.66 Lakhs (previous year ₹ Nil Lakhs),Prathik Jain ₹ 1.24 Lakhs (previous year ₹ Nil Lakhs)



POKARNA LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
NOTES FORMING PART OF FINANCIAL STATEMENTS

15. Payables include to Pokarna Fabrics Limited ₹ 5085.48 Lakhs (previous year ₹ 4768.88 Lakhs), Pokarna Marketing Limited ₹ 1213.32 Lakhs (previous year ₹ 1138.05 Lakhs), Pokarna Fashions Limited Rs 35.00 Lakhs (previous year ₹ 35.00 Lakhs), Southend Extension ₹ 3.66 Lakhs (previous year ₹ 14.40 Lakhs), Gautam Chand Jain ₹ 1587.68 Lakhs (previous year ₹ 1949.45 Lakhs), Rahul Jain ₹ 1022.28 Lakhs (previous year ₹ 918.25 Lakhs), Prakash Chand Jain ₹ 1260.95 Lakhs (previous year ₹ 987.50 Lakhs), Rekha Jain ₹ Nil Lakhs (previous year ₹ 14.37 Lakhs), Nidhi Jain ₹ Nil Lakhs (previous year ₹ 5.43 Lakhs), Apurva Jain ₹ Nil Lakhs (previous year ₹ 5.43 Lakhs), Arrush Creations ₹ 6.78 Lakhs (previous year ₹ 32.58 Lakhs), Southend ₹ 0.03 Lakhs (previous year ₹ Nil Lakhs), Karvy Computer Share Private Limited ₹ 0.25 Lakhs (previous year ₹ Nil Lakhs)

2.28 Earnings Per Share (EPS)

The numerators and denominators used to calculate Basic and Diluted Earnings per share

Particulars	31.03.2015	31.03.2014
Basic / Diluted Earnings Per Share		
Numerator for Basic earnings per share:		
Profit attributable to the Equity Share Holders	3136.15	1167.72
Denominator for Basic earnings per share:		
Basic / Weighted Average number of shares	6200800	6200800
Basic Earnings Per Share (in ₹)	50.58	18.83

2.29 Employee Benefits:

Particulars		
Defined Contribution Plan		
Employer's contribution to Provident Fund	137.55	114.74
Defined Benefit Plan		

The employees' gratuity fund scheme managed by a Trust (Life Insurance Corporation of India for Granite Division of the company) is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for Compensated Absence is recognized in the same manner as gratuity.



POKARNA LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	Gratuity		Compensated Absence	
	(Funded) Year Ended 31.03.2015	Year Ended 31.03.2014	(Unfunded) Year Ended 31.03.2015	Year Ended 31.03.2014
a) Reconciliation of opening and closing balances of the present value of the Projected Benefit Obligation				
Projected Benefit Obligation				
at Beginning of year	219.08	233.24	30.29	28.66
Current service cost	50.96	37.11	37.32	26.31
Past Service Cost	-	-	-	-
Interest cost	18.12	17.76	2.17	2.04
Actuarial(Gain)/Loss	37.23	(43.19)	(7.46)	(20.17)
Benefits paid	(35.28)	(25.82)	(12.40)	(6.56)
Projected Benefit Obligation at year end	290.11	219.08	49.92	30.29
b) Reconciliation of opening and closing balances of Fair Value of plan assets				
Fair value of Plan asset at beginning of year	200.60	197.64	-	-
Adjustment of opening balance			-	-
Expected return on Plan Assets	17.31	16.70	-	-
Actuarial(Gain)/Loss	(0.12)	(0.03)	-	-
Employer Contribution	18.70	12.11	12.40	6.56
Benefits Paid	(35.28)	(25.82)	(12.40)	(6.56)
Fair value of Plan asset at year end	201.21	200.60	-	-
c) Reconciliation of fair value of assets and Obligation				
Fair value of Plan assets	201.21	200.60	-	-
Present value of Projected Benefit obligation	290.11	219.08	49.92	30.29
Amount recognized in Balance Sheet	(88.90)	(18.48)	(49.92)	(30.29)
d) Expenses recognized during the year Under the head "Personnel Costs".				
Current service cost	50.96	37.11	32.71	26.31
Interest cost	18.12	17.76	2.17	2.05
Past Service Cost	-	-	-	-
Expected return on Plan Assets	(17.31)	(16.70)	-	-
Actuarial(Gain)/Loss	37.35	(43.19)	(7.46)	(20.17)
Income(-)/Expenses(+) recognized in the statement of Profit & Loss	89.12	(5.01)	32.03	8.19



POKARNA LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
NOTES FORMING PART OF FINANCIAL STATEMENTS

e) Actuarial Assumptions

	2006-08	1994-96	2006-08	1994-96
Mortality Table (L.I.C)	(Ultimate)	(Ultimate)	(Ultimate)	(Ultimate)
Discount rate (per annum)	7.77%	9.00%	7.77%	9.00%
Rate of escalation in salary (per annum)	5.63%	5.00%	5.63%	5.00%
Attrition Rate	6.25%	10.00%	6.25%	10.00%
Expected return on Plan assets – LIC	9.00%	8.75%	-	-

- f) The estimates of future salary increases considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors.
- g) The company expects to contribute ₹ 10.00 Lakhs to its Gratuity plan for the next year.

2.30 Segment Reporting

Disclosure of segment reporting for the year **2014-15** (2013-14):

(a) Information about Primary Business Segments:

Description	Granite	Apparel	Quartz Surfaces	Total
Sales to External Customers	18317.39 (15489.92)	744.95 (1424.10)	13573.59 (6149.45)	32635.93 (23063.47)
Inter Segment Sales	-	0.59	-	0.59
	(0.21)	(8.01)	-	(8.22)
Total Revenue	18317.39 (15490.13)	745.54 (1432.11)	13573.59 (6149.45)	32636.52 (23071.69)

Segment Results

Profit / (Loss)	4602.80 (2910.05)	(1001.77) (1184.45)	3163.44 (978.30)	6764.47 (2703.90)
Interest Expenses				3223.25 (3176.70)
Income Tax				1197.03 (892.89)
Extra ordinary Items				791.96 (747.63)
Profit After Tax				3136.15 (1167.72)

Other Segment Information:

Capital Expenditure	1540.34 (441.16)	12.97 (56.13)	58.22 (58.57)	1611.53 (555.86)
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POKARNA LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
NOTES FORMING PART OF FINANCIAL STATEMENTS

Depreciation	673.10	451.09	1183.63	2307.82
	(720.37)	(252.50)	(1068.05)	(2040.92)
Particulars of Segment Assets and Liabilities:				
Segment Assets	16434.37	3689.00	24929.10	45052.47
	(16043.12)	(4179.29)	(25466.70)	(45689.11)
Unallocated Assets	6115.88	-	-	6115.88
	(6115.88)	-	-	(6115.88)
Segment Liabilities	11114.98	4509.31	30229.41	45853.70
	(9397.64)	(6074.59)	(32267.56)	(47739.79)
Unallocated Liabilities	-	-	-	-
	(1479.05)	-	-	(1479.05)

(b) Information about Secondary Segments – Geographical

Revenue attributable to location of customers is as follows

Country	31.03.2015				31.03.2014			
	Granite	Apparel	Quartz Surfaces	Total	Granite	Apparel	Quartz Surfaces	Total
U S A	5696.54	-	9838.16	15534.70	4935.73	-	4403.94	9339.67
Europe	1951.63	-	732.20	2683.83	2052.28	-	171.26	2223.54
Asia	4067.20	-	985.72	5052.92	2317.05	-	-	2317.05
India	4401.75	745.54	1464.17	6611.46	4822.62	1432.11	372.91	6627.64
Australia	43.58	-	1.68	45.26	72.74	-	6.04	78.78
Rest of the world	2156.69	-	551.66	2708.35	1289.71	-	1195.30	2485.01
Total	18317.39	745.54	13573.59	32636.52	15490.13	1432.11	6149.45	23071.69

The entire activity pertaining to sales outside India is carried out from India.

Notes:

- (i) The company has disclosed Business Segment as the primary segment. Segments have been identified taking into account the nature of the products, the differing risks and returns, the organisation structure and internal reporting system. The operations predominantly relate to Granite, Apparel and Quart Surfaces segments.
- (ii) Segment Revenue, Segment Results, Segment Assets and Segment Liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on reasonable basis.



POKARNA LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
NOTES FORMING PART OF FINANCIAL STATEMENTS



2.31 Previous year's figures have been regrouped, rearranged and reclassified, wherever considered necessary, in order to conform to the current year's presentation.

As per our report attached

For **S. Daga & Co.**
Chartered Accountants
(F.No. 000669S)

Shantilal Daga
Partner
Membership No. 11617

Place : Hyderabad
Date : 25.05.2015

For and on behalf of Board of Directors

Gautam Chand Jain
Meka Yugandhar
Thati Venkataswamy Chowdary
Mahender Chand
Prakash Chand Jain
Rahul Jain
Apurva Jain
M Viswanatha Reddy
Paruchuru Vinay

Chairman & Managing Director
Director
Director
Director
Director
Executive Director
Executive Director
Chief Financial Officer
Company Secretary

ATTENDANCE SLIP

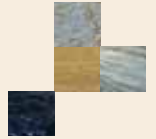
Pokarna Limited

CIN : L14102TG1991PLC013299

Registered office: 105, 1st Floor, Surya Towers , Sardar Patel Road, Secunderabad- 500 003

Tel: 040-27842182 Fax: 040-2784 2121

Website: www.pokarna.com Email: contact@pokarna.com



PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Joint shareholders may obtain additional Slip at the venue of the meeting.

DP Id * Folio No.

Client Id * No. of shares.

NAME AND ADDRESS OF THE SHAREHOLDER

.....

I hereby record my presence at the **24th ANNUAL GENERAL MEETING** of the Company held on Monday, 10th August, 2015, at 10.30 a.m., at AVASA Hotel, Plot No: 15,24,25 & 26 Sector - 1, Survey No: 64, Huda Techno Enclave, Madhapur, Hyderabad-500081.

*Applicable for investors holding shares in electronic form.

Signature of Shareholder/proxy



PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Pokarna Limited

CIN : L14102TG1991PLC013299

Registered office: 105, 1st Floor, Surya Towers , Sardar Patel Road, Secunderabad- 500 003

Tel: 040-27842182 Fax: 040-2784 2121

Website: www.pokarna.com Email: contact@pokarna.com

Name of the member(s): e-mail Id:

Registered address: Folio No/*Client Id:

*DP Id:

I / We, being the member (s) of Pokarna Limited holding Shares, hereby appoint::

- 1) of having e-mail id or failing him
- 2) of having e-mail id or failing him
- 3) of having e-mail id

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 24th Annual General Meeting of the Company, to be held on Monday, 10th August, 2015, at 10.30 a.m., at AVASA Hotel, Plot No: 15,24,25 & 26 Sector - 1, Survey No: 64, Huda Techno Enclave, Madhapur, Hyderabad-500081.

P.T.O.



and at any adjournment thereof in respect of such resolutions as are indicated below:

** I wish my above Proxy to vote in the manner as indicated in the box below:

S.No	Resolutions	For	Against
Ordinary Business			
1.	To receive, consider and adopt the audited standalone and consolidated financial statements of the Company for the financial year ended 31st March, 2015, the reports of the Board of Directors and Auditors of the Company thereon.		
2.	To declare final dividend.		
3.	To appoint a Director in place of Mr. Prakash Chand Jain (DIN: 00084490), who retires by rotation and being eligible, offers himself for re-appointment.		
4.	To reappoint M/s. S. Daga & Co., (Registration no. 000669S), Chartered Accountants, Hyderabad as Statutory Auditors of the company, to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and authorize Board of Directors to fix their remuneration.		
Special Business			
5.	To consider revision in remuneration payable to Mr. Gautam Chand Jain, Chairman & Managing Director (DIN: 00004775) of the Company.		
6.	To consider revision in remuneration payable to Mr. Rahul Jain (DIN: 00576447), Executive Director of the Company.		
7.	To approve the remuneration of the Cost Auditors for the financial year ending March 31, 2015 and 2016.		
8.	To Alter/substitute the Articles of Association of the Company.		

Signed this day of 2015.

Signature of the shareholder

Signature of first Proxy holder

Affix
Revenue
Stamp

Signature of second Proxy holder

Signature of third Proxy holder

NOTES:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the Commencement of the meeting.
2. A Proxy need not be a member of the Company.
3. A Person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. ** This is only optional, please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
5. Appointing a proxy does not prevent a member from attending the meeting in person if he/she so wishes.
6. In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

2455 - Ancient Beige
by

Quantra

2456 - Brown Leaf
by

Quantra



POKARNA LIMITED

India's No. 1 granite company



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CIN: L14102TG1991PLC013299 Tel: +91 40-27842182 Fax: +91 40-2784 2121
Email: contact@pokarna.com Website : www.pokarna.com

* For Subsidiary Products