



September, 16, 2017

Department of Corporate Services, Bombay Stock Exchange Limited, Phiroze Jeebhoy Towers, Dalal Street, Mumbai – 400001.	Listing Department, National Stock Exchange of India Ltd, Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai – 400051.
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Dear Sir,

Ref: Scrip no / Symbol. 532486 / POKARNA

Sub: Results presentation.

Please find the enclosed Q1 FY18 Results Presentation.

This is for your record and dissemination.

Regards:

**For Pokarna Limited**

**Vinay Paruchuru**  
**Company Secretary**

## **Pokarna Limited**

**GSTIN No. 37AABCP2100Q1ZF**

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CIN: L14102TG1991PLC013299



**POKARNA LIMITED**

**Q1 FY18**

Results  
Presentation

**FUTURE  
FOCUSED**

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# Financial Highlights – Consolidated\*

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Temporary shutdown of Quartz facility for maintenance purpose coupled with continued challenging environment for Granite business resulted in revenue generation of Rs. 68 crore for the quarter, lower by 24%.

Lower revenue generation and higher tax outgo resulted in PAT of Rs. 4 crore during Q1 FY18; lower by 76%.

Expect business momentum to pick up over the coming quarters.

Pursuant to approval of Board of Directors, vide resolution passed on 08<sup>th</sup> May, 2017, for transfer and sale of Apparel Business, on a going concern basis, Company has presented the financials of Apparel Business as Discontinued operations, as per IND-AS - 105.

\*Excluding Discontinued operations of Apparel division.

# INDAS IMPACT - Consolidated Financials\* Rs. In Cr

Particulars	Q1 FY18 Ind AS	Q1 FY17 IGAAP	Ind As Adjustments	Q1 FY17 Ind AS	FY17 IGAAP	IND AS Adjustments	FY17 Ind AS
Revenues	67.54	88.69	0.00	88.69	370.66	0.00	370.66
EBITDA	17.63	33.28	0.81	34.09	145.67	0.50	146.17
Margins (%)	<b>26.10</b>	<b>37.52</b>	--	<b>38.45</b>	<b>39.30</b>	--	<b>39.43</b>
Depreciation	4.94	4.43	0.00	4.43	17.03	0.00	17.03
Interest	6.15	7.19	0.01	7.20	31.97	0.04	32.01
PAT	3.94	15.57	0.78	16.35	69.70	0.89	70.59
Margins (%)	<b>5.83</b>	<b>17.56</b>	--	<b>18.43</b>	<b>18.80</b>	--	<b>19.04</b>

\*Excluding Discontinued operations of Apparel division.

# Segmental Performance



# Segmental Performance

Rs. In Cr

Revenue	Q1 FY18	Q1 FY17	Shift %
Granite	34	36	-6
Quartz Surfaces	33	53	-38
Apparel*	2	2	0



EBIT	Q1 FY18	Q1 FY17	Shift %
Granite	6	7	-14
Quartz Surfaces	7	22	-68
Apparel*	(1)	(2)	--



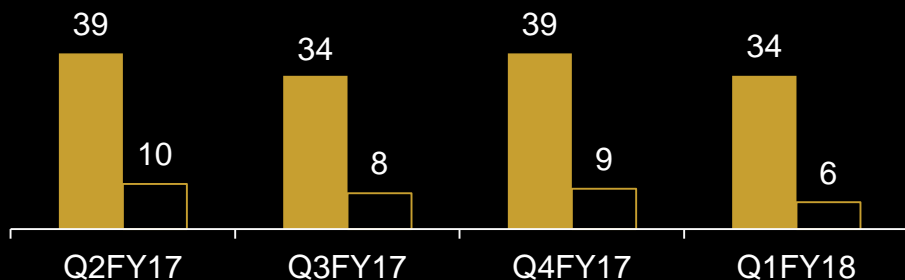
Capital Employed	Q1 FY18	Q1 FY17	Shift %
Granite	109	94	16
Quartz Surfaces	223	206	8
Apparel*	18	21	-14



\* Discontinued operations

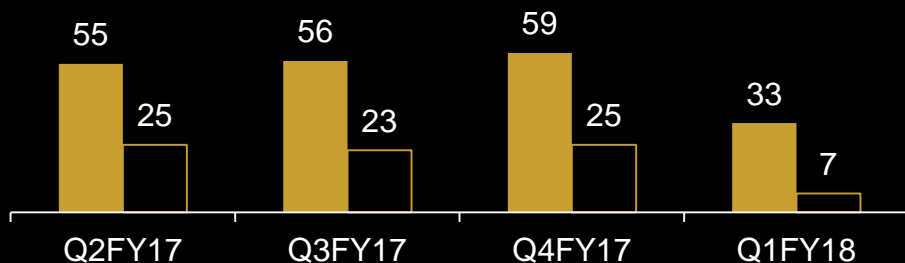
# Segmental Performance

Granite



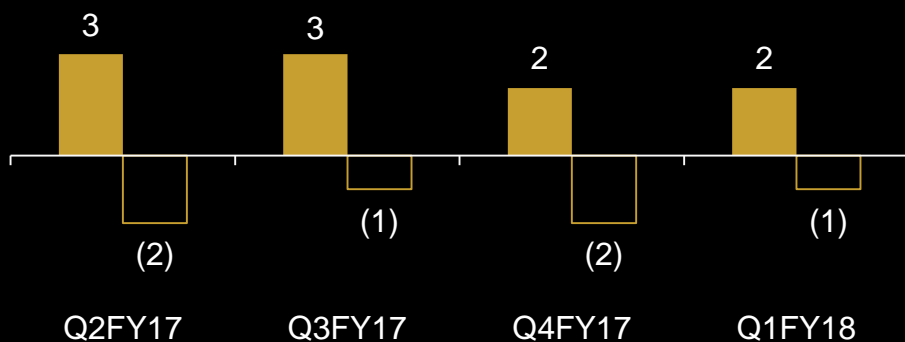
Co.'s strategy of modifying its product mix - focusing more on customized "cut to size" segments helping it to navigate challenging business environment.

Quartz Surfaces



Lower revenue generation owing to shutdown of plant for maintenance purpose. EBITDA margin for the business during Q1 FY18 stood at 27%.

Apparel\*



Lower utilization levels resulting in muted performance. Efforts directed towards containing the losses.

\*Discontinued operations

■ Revenues (Rs cr) □ EBIT (Rs cr)

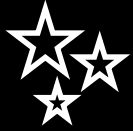


# Key Developments



# Key Developments

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## Credit Rating Upgrade –

- Crisil recently upgraded the Company's:
  - Long term credit rating facility (Rs. 104 cr) to BBB-/ stable from BB+/ stable
  - Short term credit rating facility (Rs. 27 cr) to A3 from A4+
- Further Crisil also revised the credit rating of Pokarna Engineered Stone Limited's, (WOS):
  - Long term credit facility (Rs. 331 crore) to BBB-/ stable from BB+/ stable
  - Short term credit facility (Rs. 39 crore) to A3 from A4

# FY18 – Key Priorities

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Build strong & innovative product pipeline

Improve operational efficiencies

Focus on branding

Widen reach and presence

**Going Forward**



# Going Forward

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## Quartz

- Expect to deliver steady performance over the coming quarters; plant shutdown resulted in soft performance during Q1.
- Modernizing existing plant – enabling it to produce innovative and high margin exotic products. Commissioning of new plant will further help the Company to meet growing demand of Quartz.

## Granite

- Focusing on improving the operational efficiencies at quarries.
- Aiming towards improving capacity utilization and increasing share of cut to size products.
- Sustained challenge from Brazilian and Indian players on price front – Fine tuning strategy and product mix to achieve revenue and profitability goals.

# Key Strengths & Capabilities



# Key Strengths & Capabilities

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## Quartz

- World class manufacturing, Research & Product development facility;
- Exclusive licensee for India, of patented Italian Bretonstone Technology;
- Comprehensively serving through private label products and Quantra brand;
- Laser-focused on operational excellence; and
- Presence in high growth quartz surfaces segment.

## Granite

- Vertically integrated with captive quarries and state of the art mining and processing infrastructure;
- Broad, diverse presence by geography, for last 25 years; and
- Experienced management team.

# Company Overview





# Granite

- **Backward Integrated** – Sourcing majority of raw material from captive quarries.
- **Captive quarries rich in resources** – Home to some of the most sought after colors.

Black Galaxy	Steel Grey	Tan Brown
Silver Waves	Arizona brown	Dragon Red
Hail Storm	Flash Blue	Vizag Blue
Golden Dream	Pokarna green	Tan Brown Classic
Coffee brown	Black Coffee	Cream Cashmere

- **Diverse / Rich offerings** - Company's **color palette** includes over **76 varieties** of granite sourced from India, Ukraine, Madagascar and Norway.
- **Deep entrenched relationship** with dealers across key regions of operations.

## State-of-the-art Manufacturing Facilities

- Fully automated production line – Cutting edge technology armed with fully computer-controlled high speed polishing lines transforms granite from its crude form to final product unmatched in quality.



- **Factories:**

### Unit – I

Survey No.123, Tooprantpet (Village), Choutuppal (Mandal), Yadadri Bhuvanagiri (District), Telangana.

### Unit - II

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

# Quartz Surfaces



Natural quartz surfaces from Pokarna

- Pokarna Engineered Stone Limited (PESL) – wholly owned subsidiary of Pokarna Ltd., is India's largest manufacturer and exporter of engineered stone surfaces.
- **Global Demand** – Products exported across various geographies.
- **Diverse Product offering** – Color Palette of 64+ with multiple shades and textures of around 6750 catering to best of every market across all spectrums.
- **Availability of abundant Raw material:** The States of Telangana and Andhra Pradesh are found to be home to some of the best quality quartz.
- In addition to private label manufacturing, distributed and supplied across the globe under the brand name "**Quantra® Natural Quartz Surfaces from Pokarna**".

## State-of-the-art Manufacturing Facilities

- Fully automated production line.
- Best in business technology - **Bretonstone® System of Breton S.p.A, Italy. Pokarna is the only Company to use this technology in India.**
- **Advantages of Bretonstone® Technology**
  - Final product guarantees an optimum "indoor life quality".
  - "Eco-friendly" manufacturing process.
  - Ultra-compact finished product, homogenous and free from micro porosities.
  - Finished product can assume the aesthetic appearance of the most precious natural marbles.
  - Non-flammable and non-toxic finished product.

### Factory:

Plot. No: 45, APSEZ, Achutapuram, Rambilli Mandal, Vishakapatnam District, Andhra Pradesh.

# Apparel

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- **Launched in 2004**, Stanza focuses on premium product / lifestyle brand category for men & children.
- **Reach –**
  - 8 exclusive outlets
  - Other retail outlets



## Factory:

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

# Investor Contacts

For more information about us, please visit [www.pokarna.com](http://www.pokarna.com) or contact:

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Sameness Deleted

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