



December, 11, 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 Q2 FY18 Results Presentation.

This is for your record and dissemination.

Regards:

For Pokarna Limited


M. Viswanatha Reddy
Authorised signatory



Pokarna Limited

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Telangana, India, T: +91 8694 – 200666

Unit 2: Survey No. 563, 568, 574, Aliabad Village, Shameerpet Mandal, Ranga Reddy District – 500 078
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CIN: L14102TG1991PLC013299



POKARNA LIMITED

H1 FY18

Results
Presentation

**FUTURE
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Financial Highlights



Financial Highlights – Consolidated*

Resumption of Quartz operations improved revenue momentum, after modest start to the year.

Quartz business performance in the overall mix resulted in PAT and margin expansion for the quarter

Pursuant to approval of Board of Directors, vide resolution passed on 08th 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	Q2 FY18 Ind AS	Q2 FY17 IGAAP	Ind As Adjustments	Q2 FY17 Ind AS	FY17 IGAAP	IND AS Adjustments	FY17 Ind AS
Revenues	85.09	94.53	0.00	94.53	370.66	0.00	370.66
EBITDA	28.99	38.90	0.11	39.01	145.67	0.05	146.17
Margins (%)	34.07	41.15	--	41.27	39.30	--	39.44
Depreciation	4.97	4.09	0.24	4.33	17.03	--	17.03
Interest	7.20	8.62	0.01	8.63	31.97	0.04	32.01
PAT**	12.96	20.57	-0.23	20.34	76.77	0.44	77.21
Margins (%)	15.23	21.76	--	21.52	20.71	--	20.83

*Excluding Discontinued operations of Apparel division.

** PAT from Continued Operation

Segmental Performance



Segmental Performance

Rs. Crore

Revenue	H1 FY18	H1 FY17	Shift %
Granite	68	75	(9)
Quartz Surfaces	84	108	(22)
Apparel*	5	4	25



Rs. Crore

EBITDA	H1 FY18	H1 FY17	Shift %
Granite	13	17	(24)
Quartz Surfaces	23	47	(51)
Apparel*	(2)	(4)	50



Rs. Crore

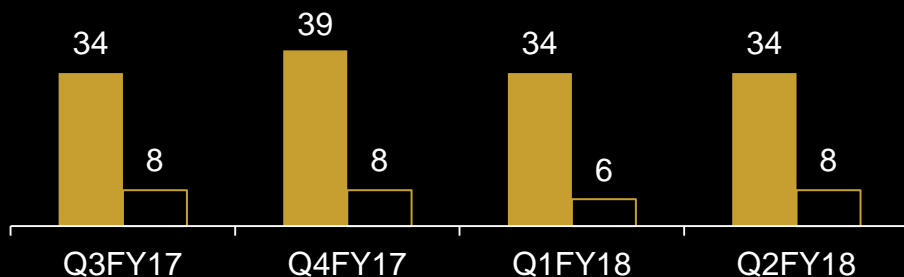
Capital Employed	H1 FY18	H1 FY17	Shift %
Granite	106	85	25
Quartz Surfaces	231	216	7
Apparel*	18	21	(14)



* Discontinued operations

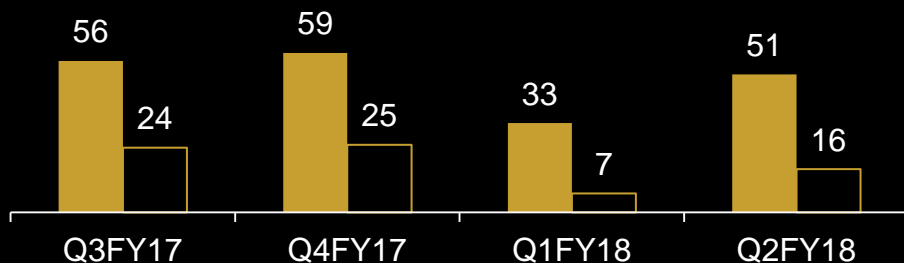
Segmental Performance

Granite



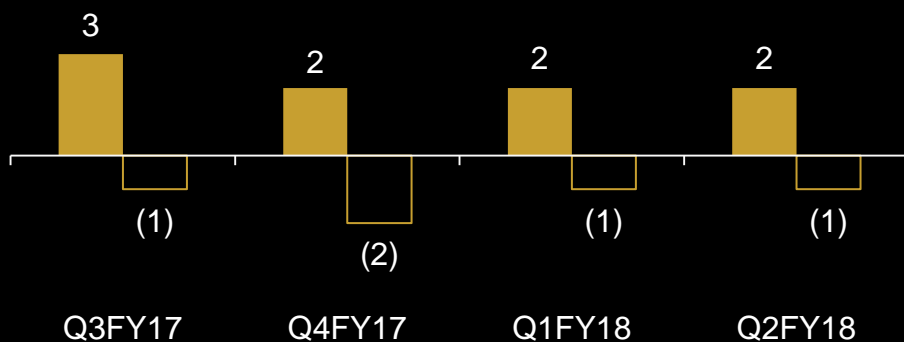
Gradually improving business environment coupled with strategic move towards tweaking product mix, resulting in growth and margin preservation

Quartz Surfaces



Lower revenue generation owing to shutdown of plant for maintenance purpose in Q1. Increased input cost effected EBITDA margin for the business during H1 FY18 stood at 33%.

Apparel*



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

*Discontinued operations

■ Revenues (Rs cr) □ EBIT (Rs cr)

Key Developments



Key Developments

Resumption of Quartz operations (Existing Plant) –

- Re-commenced operations from June 24th 2017
- Modernization and maintenance of the plant will aid in producing innovative and better margins products

Greenfield Project – Expanding Quartz Surface capacity by 130%

- Finalized the location; due diligence process underway – expect to complete the process shortly.
- Investment Rs. 325 crore
 - Funding mix: Debt of Rs. 250 cr; Internal accruals of Rs. 75 cr
- The Facility will be one of the most-advanced Bretonstone plants of its kind in the world, covering a production area of approximately 50,000 square meters

Key Developments

Reduction in GST rate

- Revised tax rate following GST council's decision to lower tax on the sector from 28% to 18%
- Lower tax rate to positively contribute positively to sector's overall growth

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 upgraded 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

Build strong & innovative product pipeline

Improve operational efficiencies

Focus on branding

Widen reach and presence

Going Forward



Going Forward

Quartz

- New equipment and process improvement initiation to produce innovative and better margin products.

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

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

- **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

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