



In tune with today
and tomorrow

Quantra[®]

Natural Quartz surfaces from Pokarna
Technology. Powered by nature.

14th Annual Report 2014-15



2456 - Brown Leaf

Contents

01

Corporate
Information &
Notice

Page 1-10

02

Directors
Report

Page 11-16

03

Management
Discussion
and Analysis

Page 17- 20

04

Independent
Auditors Report

Page 21-24

05

Balance
Sheet

Page 25

06

Statement of
Profit and Loss

Page 26

07

Cash Flow
Statement

Page 27

08

Notes on Financial
Statements

Page 28-45

Corporate Information

2455 - Ancient Beige

BOARD OF DIRECTORS

Mr. Gautam Chand Jain, Director

Mr. Prakash Chand Jain, Director

Mr. Meka Yugandhar, Director

Mr. Vinayak Rao Juvvadi, Director

Mr. Thati Venkataswamy Chowdary, Director

Mr. Mahender Chand, Director

Mr. Dhanji Lakhamsi Sawla, Director

Mrs. Apurva Jain, Director

Mr. Rahul Jain, Director



3766 - Marfil River

REGISTERED OFFICE

105, First Floor, Surya Towers, Sardar Patel Road,
Secunderabad - 500003, Telangana State India.
Tel: 91-40-27842182, 27844101, 66266777, Fax: 91-40-27842121
CIN No. : U17219TG2001PLC036015
Email: contact@quantra.in
Website: www.quantra.in

FACTORY

Plot No. 45, APSEZ, Achutapuram, Rambili Mandal,
Vishakapatnam District, Andhra Pradesh 531 011, India

STATUTORY AUDITORS

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

INTERNAL AUDITOR

Mr. M. Murali Jaganmohan, Chartered Accountant, Hyderabad

BANKERS

Union Bank of India, Khairatabad, Hyderabad
Bank of India, Khairatabad, Hyderabad
Indian Overseas Bank, Secunderabad

MARKETING INITIATIVES

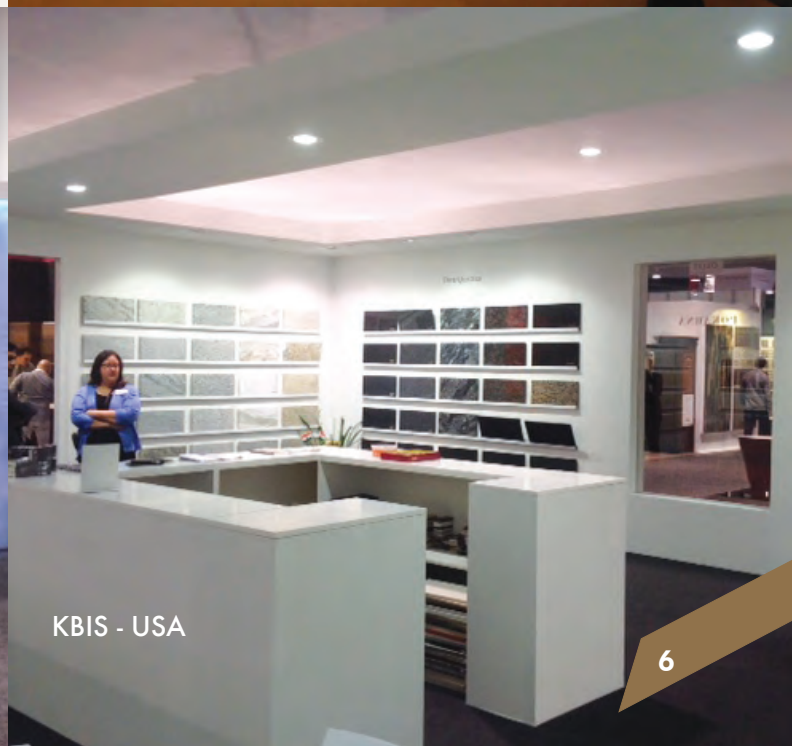




Xiamen Stone Fair - China



Coverings - USA



KBIS - USA

MILESTONES

2006

Signing up of the Contract:

Holding Company, Pokarna Limited, executed the contract in this year with Bretonstone for acquiring the technical knowhow and requisite machinery for setting up Quartz surfaces plant.

2007

Groundbreaking:

Performed groundbreaking ceremony for setting up of Quartz surfaces plant at Vishakapatnam Special Economic Zone, Andhra Pradesh.

2009

Commencement of Commercial Production:

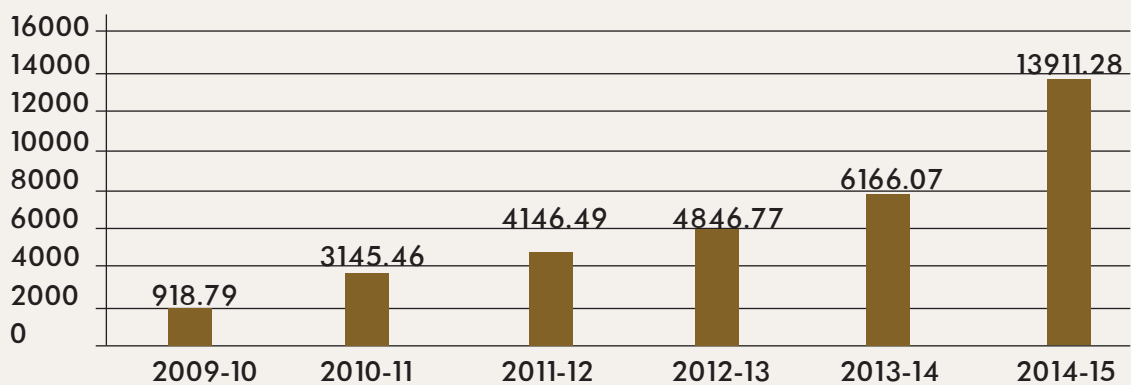
A dream envisioned in 2006 became a reality in 2009 during which the commercial production of Quartz surfaces was commenced.

2014-15

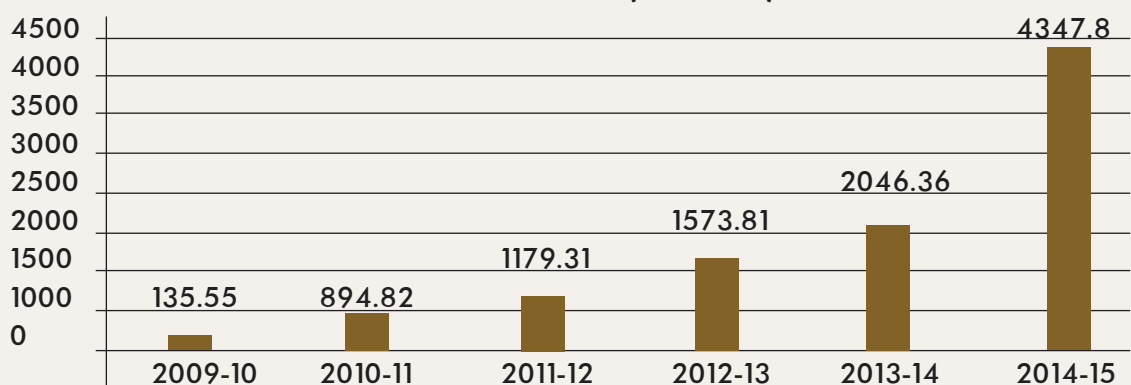
Joining the 100 Crore Club:

After withstanding various challenges, the company, for the first time, achieved a turnover of more than Rs. 100 Crore in the F.Y. 2014-15, by recording gross sales of Rs. 140.14 Crore.

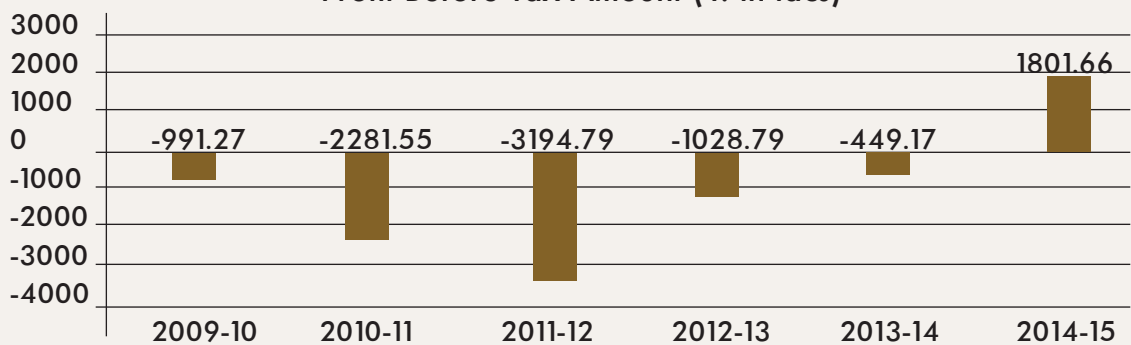
Total Income Amount (₹. in lacs)



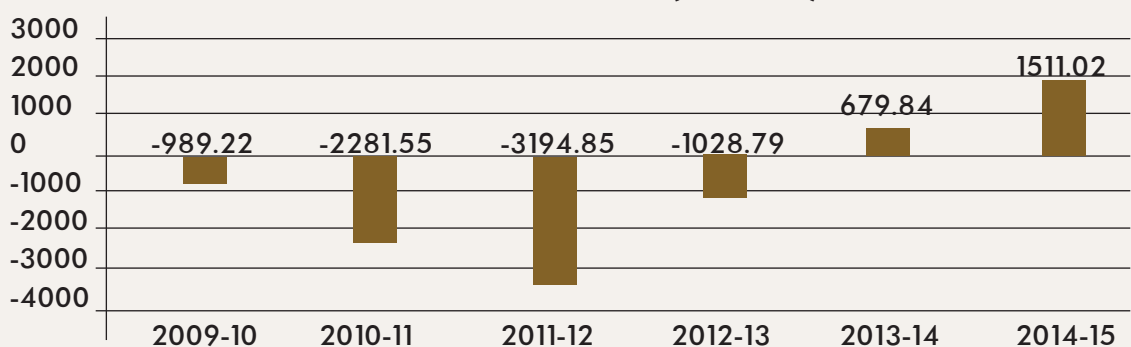
EBITDA Amount (₹. in lacs)



Profit Before Tax Amount (₹. in lacs)



Profit After Tax Amount (₹. in lacs)



PROJECTS

Prestige Bella Vista (Chennai)



POKARNA ENGINEERED STONE LIMITED

NOTICE

Dear Members,

Notice is hereby given that the 14th Annual General Meeting of the company will be held on 10th August, 2015, Monday, at 9.30. a.m., at the registered office of the Company situated at 105, 1st Floor, Surya Towers, Secunderabad - 500003 to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2015 and the Statement of Profit and Loss for the year ended on that date along with notes and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Rahul Jain (DIN: 00576447), who retires by rotation and being eligible, offers him selves for reappointment.
3. To appoint M/s. S. Daga & Co., Chartered Accountants (F. No. 000669S), Hyderabad as Statutory Auditors of the company and authorize the Board of directors to fix their remuneration.

For and Behalf of the Board of Directors

Sd/-

Gautam Chand Jain

Director

(DIN: 00004775)

Date: 25th May, 2015
Secunderabad

Registered Office:

105, First Floor, Surya Towers,
S. P. Road, Secunderabad- 500 003.

CIN: U17219TG2001PLC036015

Email: contact@quantra.in

Website: www.quantra.in

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.

DIRECTORS REPORT TO THE SHAREHOLDERS

Your Directors have the pleasure in presenting the Fourteenth Annual Report together with the audited annual accounts of your company for the year ended 31st March 2015.

State of Affairs:

(Rs. in Lacs)

Particulars	2014-15	2013-14
Total income	13911.28	6166.07
Expenditure (including depreciation and finance cost)	12901.58	7362.87
Profit / (Loss) before Extra-ordinary item and Tax	1009.70	(1196.80)
Extra-ordinary item*	791.96	747.63
Profit/Loss before tax	1801.66	(449.17)
Total tax expense (Deferred tax asset)	290.64	(1129.01)
Profit/Loss after tax	1511.02	679.84
Earnings per Share (Par value of Rs. 10/- each) (in Rs.)	1511.02	679.84

Dividend

The Board of Directors had not recommended any dividend for the financial year under review.

Transfer to Reserves

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

Number of Board Meetings

During the year under review Six Board meetings were held, on 22nd May, 2014, 29th May, 2014, 09th August, 2014, 11th November, 2014, 12th February, 2015 and 14th March, 2015.

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.

Audit Committee

The terms of reference of the Audit Committee are extensive covering the mandatory requirements under 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

- 1) Mr. Meka Yugandhar - Chairman
- 2) Mr. Thati Venkataswamy Chowdary - Member
- 3) Mr. Vinayak Rao Juvvadi - Member
- 4) Mr. Mahender Chand - Member

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.

Meetings and attendance

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

S. No.	Members	Attendance during the year
1	Mr. Meka Yugandhar	5
2	Mr. Thati Venkataswamy Chowdary	4
3	Mr. Vinayak Rao Juvvadi	5
4	Mr. Mahender Chand	5

Nomination & Remuneration Committee

During the year under review the Company has constituted the Nomination & Remuneration Committee, pursuant to Section 178(1) of the Companies Act, 2013.

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

- 1) Mr. Thati Venkataswamy Chowdary - Chairman.
- 2) Mr. Meka Yugandhar - Member,
- 3) Mr. Mahender Chand - Member.
- 4) 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:

S. No.	Members	Attendance during the year
1	Mr. Thati Venkataswamy Chowdary	2
2	Mr. Meka Yugandhar	2
3	Mr. Mahender Chand	2
4	Mr. Prakash Chand Jain	2

Nomination and Remuneration Policy

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

Auditors

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.

Auditors Report

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, which is self explanatory.

Directors

Mr. Rahul Jain (DIN: 00576447) retires by rotation at the ensuing Annual general meeting and being eligible offered him selves for reappointment. Further all the Independent Directors of the Company have given declaration pursuant to Section 149(6) of the Companies, Act, 2013, declaring their independence.

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.

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 equipments 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 foreign exchange earnings was Rs. 11688.50 lacs and expenditure was Rs. 24.43 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 was 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.

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.

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 Companys website at the link: <http://goo.gl/N846nD>

Debentures

During the year under review the interest terms of remaining Series I debentures, i.e. 1,25,21,932 was modified and made on par with the Series II debentures, i.e. interest is payable @ 3% per annum. By virtue of the said modification, the entire debentures were demarcated as Series-II debentures.

Extract of Annual Return

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

Management Discussion Analysis

Managements Discussion and Analysis Report is provided in Separate Section and forms part of this Annual 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. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Companys operations in future.
5. Material changes and Commitments, affecting the financial position of the Company, which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.
6. For the year under review, the provisions of Section 135 of the Companies Act, 2013 read with the rules made there under, in relation to Corporate Social Responsibility are not applicable to the Company.

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 would like to express their grateful appreciation for the excellent support and co-operation received from the Banks, Government Authorities, Shareholders and other Stakeholders during the year under review.

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

Your Directors also take this opportunity to record their appreciation for all those who contributed to the success of your Company and look forward to their continued support in the years to come.

For and on behalf of the Board

Sd/-
Gautam Chand Jain
Director

Sd/-
Rahul Jain
Director

Date: 25th May, 2015
Secunderabad

Form No. MGT-9

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: U17219TG2001PLC036015
- ii) Registration Date: 08/01/2001
- iii) Name of the Company: Pokarna Engineered Stone 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, Tel: 040-2789 7722, Fax: 040-2784 2121, Email: contact@quantra.in
Website: www.quantra.in
- vi) Whether listed company No
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any: NA

II. Principal Business Activities of the Company

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

S. No.	Name and Description of main products / services	NIC code of the product/service	% to total turnover of the company
1	Manufacturing of Artificial/ Engineered Stone/Quartz Surfaces.	23952	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES: NA**IV. SHARE HOLDING PATTERN (Equity Share Capital Break up and percentage of Total Equity):**

During the year under review 100% shareholding of the Company, was held by the Holding Company, i.e. Pokarna Limited and its nominees, and there were no changes in the shareholding pattern, during the year under review. None of the Directors or Key Managerial Personnel holds any beneficial interests in the shares of the Company.

INDEBTEDNESS:

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

Rs. In Lacs

Particulars	Secured Loans excluding deposit	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial year:				
i) Principal amount	13303.76	15047.39	-	28351.15
ii) Interest due but not paid	207.28	-	-	207.28
iii) Interest accrued but not paid	-	1129.15	-	1129.15
Total (i+ii+iii)	13511.04	16176.54	-	29687.58
Change in indebtedness during the financial year				
Additions	520.08	990.00	-	1510.08
Reduction	(1270.85)	(1756.66)	-	(3027.51)
Net Change	(750.77)	(766.66)	-	(1517.43)
Indebtedness at the end of the financial year				
iv) Principal amount	12552.99	14280.73	-	26833.72
v) Interest due but not paid	-	-	-	
vi) Interest accrued but not paid	-	1360.00	-	1360.00
Total (i+ii+iii)	12552.99	15640.73	-	28193.72

VII. Remuneration of Directors and Key Managerial Personnel: None of the Directors of the Company receives any remuneration from the Company.

Further Company has not appointed any Key Managerial Personnel, as pursuant to Section 203 of the Companies Act, 2013 read with Rule 8 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, it is not mandatory for the Company to appoint any Key Managerial Personnel.

VII. Penalties / Punishments / Compounding of Offences pursuant to Companies Act 2013: NIL

MANAGEMENT DISCUSSION AND ANALYSIS

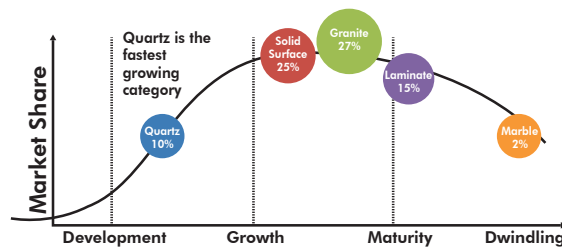
QUARTZ / ENGINEERED STONE INDUSTRY

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.

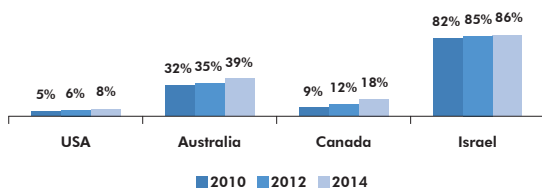
Quartz is the Fastest Growing Category in a \$81bn Market



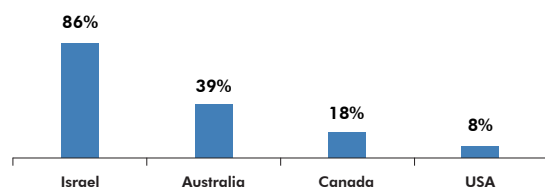
While the usages of natural stones like granite, marble, soapstone for countertops were dominant in the past, there has been a visible shift in favor of quartz over the past decade. The migration has resulted in the product becoming the fastest growing material to be used in the countertop industry, gradually eating into the share of other materials, such as granite, manufactured solid surfaces and laminate.

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%.

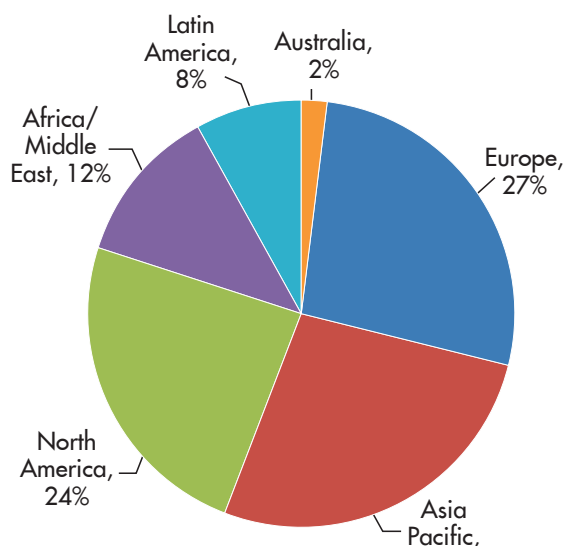
However, the awareness for quartzs fine points -- its beauty and durability is driving the demand for the product in US and Canada, regions that materially lag the penetration of other countries and the marginal improvement and acceptability of the product within these regions will have a disproportionate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

COUNTERTOP SEGMENT

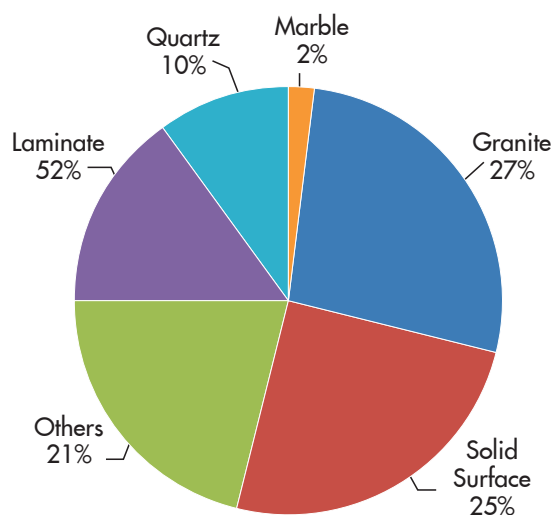
Based on average installed price, (including installation and other related costs), the global countertop industry generated approximately \$81 billion in sales to end consumers in 2014. Amongst the surfaces, Granite with a share of 27 percent continued to remain the preferred material for countertops, 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 regions 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>

COMPANY'S PERSPECTIVE

Your Company is amongst the Countrys leading engineered stone manufacturing Company with exports across most of the developed and emerging markets, with a strong presence in the US and Europe. We are also the nations 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.

Company, 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.

Companys manufacturing unit located at Vishakapatnam is equipped with extensive laboratory, enabling the companys 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, Company achieved revenues worth Rs. 135.73 crore and PBIT of Rs. 31.63 Crore as against Rs. 61.49 crore and Rs. 9.78 crore respectively. Domestic Exports mix stood at Rs. 14.64 crore and Rs. 121.09 crore respectively with sizeable export contribution from USA i.e Rs. 98.38 crore constituting 72.48% of the export revenues.

The Companys 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, Company became the first Indian Quartz surfaces manufacturer to have been awarded such certification. Further, Company also entered into a strategic alliance with Dekker Zevenhuizen B.V, wherein the latter will exclusively distribute the Companys 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 Companys reach in Benelux region.

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 Companys 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.

INDEPENDENT AUDITOR'S REPORT

To
The Members,
Pokarna Engineered Stone Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of Pokarna Engineered Stone 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.

Emphasis of Matter

9. We draw attention to Note 2.3.1 (b) of the accompanying financial statements respect of contingency related to compension 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.

Report on Other Legal and Regulatory Requirements

10.As required by the Companies (Auditors 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.

11.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 Auditors 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. The provisions relating to transferring amounts to Investor Education and Protection Fund is not applicable to the Company during the year.

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

(Shantilal Daga)
M. No. 011617
Partner
Place: Hyderabad
Date: 25.05.2015

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 9 of the Independent Auditors Report of even date to the members of Pokarna Engineered Stone 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) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, in respect of goods traded by the company.
- (vii) (a) According to the information and explanations given to us and the records of the Company is regular in depositing with appropriate authority undisputed statutory dues, including Income tax, Sales tax/CST, Wealth Tax, Service tax, duty of customs, duty of excise, cess and other material statutory dues as applicable to it.
- (b) 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.
- (c) The provisions relating to transferring amounts to Investor Education and Protection Fund is not applicable to the Company during the year.

- (viii) The accumulated losses of the company as at the end of the year are more than fifty percent of its net worth and has not incurred cash losses during the financial year and also in the immediately preceding financial year.
- (ix) According to the records examined by us, the Company has not defaulted in repayment of dues to financial institutions, banks and debenture 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. 011617
Partner
Place: Hyderabad
Date: 25.05.2015

Balance Sheet

Rs. In Lacs

	Notes	As at 31.03.2015	As at 31.03.2014
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2.1	10.00	10.00
Reserves & Surplus	2.2	(5310.30)	(6810.86)
		(5300.30)	(6800.86)
Non-Current Liabilities			
Long-term Borrowings	2.3	20732.44	23397.35
Other Long-term Liabilities	2.4	1360.00	1129.15
Long-term Provisions	2.5	24.22	671.57
		22116.66	25198.07
Current Liabilities			
Short-term Borrowings	2.3	4617.45	3621.15
Trade Payables	2.6	1373.26	1329.77
Other Current Liabilities	2.4	2000.17	2111.83
Short-term Provisions	2.5	121.86	6.74
		8112.74	7069.49
Total		24929.10	25466.70
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	2.7	15722.36	17336.75
Capital Work-In-Progress		122.72	107.67
Deferred Tax Asset (net)	2.8	843.76	1129.01
Long-term Loans and Advances	2.9	156.45	78.84
		16845.29	18652.27
Current Assets			
Inventories	2.10	4089.84	4694.79
Trade Receivables	2.11	3032.14	1860.14
Cash and Bank Balances	2.12	777.66	194.09
Short-term Loans and Advances	2.9	176.68	62.71
Other Current Assets	2.13	7.49	2.70
		8083.81	6814.43
Total		24929.10	25466.70
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 : 25th May, 2015

For and on behalf of Board of Directors

Gautam Chand Jain
Director
Thati Venkataswamy Chowdary
Director
Prakash Chand Jain
Director
Apurva Jain
Director

Meka Yugandhar
Director
Mahender Chand
Director
Rahul Jain
Director

Statement of Profit and Loss

Rs. In Lacs

	Notes	For the year ended 31.03.2015	For the year ended 31.03.2014
INCOME			
Revenue from Operations (gross)	2.14	14014.57	6246.83
Less :Customs Duty		440.98	97.38
Revenue from Operations (net)		13573.59	6149.45
Other Income	2.15	337.69	16.62
Total		13911.28	6166.07
EXPENSES			
Cost of Raw Material and Components consumed	2.16	4992.47	2986.32
(Increase) / Decrease in Inventories of Finished Goods, Work-in-Progress	2.17	829.86	(1108.45)
Employee Benefits Expense	2.18	589.55	443.90
Other Expenses	2.19	3152.32	1797.94
Total		9564.20	4119.71
Earnings before Interest, Tax, Depreciation and Amortization		4347.08	2046.36
Depreciation and Amortization	2.20	1183.63	1068.05
Finance Costs	2.21	2153.75	2175.11
Profit/(Loss) Before Extraordinary items & Tax		1009.70	(1196.80)
Extraordinary Items	2.22	791.96	747.63
Profit / (Loss) Before Tax		1801.66	(449.17)
Tax Expenses			
Current Tax		-	-
Deferred Tax		290.64	(1129.01)
Total Tax Expenses		290.64	(1129.01)
Profit / (Loss) After Tax		1511.02	679.84
Earnings Per Share - Basic & Diluted (in Rs.)		1511.02	679.84
(Par value of Rs. 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 : 25th May, 2015

For and on behalf of Board of Directors

Gautam Chand Jain
Director

Thati Venkataswamy Chowdary
Director

Prakash Chand Jain
Director

Apurva Jain
Director

Meka Yugandhar
Director

Mahender Chand
Director

Rahul Jain
Director

Cash Flow Statement

Rs. 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	1009.70	(1196.80)
Adjustments:		
Depreciation and amortization expense	1183.63	1068.05
Loss/(profit) on sale of fixed assets	(0.08)	0.41
Provision for doubtful debts	100.11	-
Provision for warranties	111.00	-
Unrealized foreign exchange (gain) / loss, net	98.47	239.72
Interest expense	2153.75	2175.11
Interest income	(17.28)	(15.67)
Operating profit before working capital changes	4639.30	2270.82
Changes in working capital and other provisions:		
Trade receivables	(1258.44)	(800.38)
Inventories	604.95	(1161.82)
Loans and advances and other assets	(210.10)	55.06
Other Liabilities and provisions	(646.76)	(826.01)
Cash generated from operations	3128.95	(462.33)
Income taxes paid, net	0.90	0.92
Net cash flow generated by operating activities	3128.05	(463.25)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets and changes in capital work in progress	(58.22)	(58.57)
Proceeds from sale of fixed assets	0.90	2.56
Interest income	17.28	15.67
Net cash used in investing activities	(40.04)	(40.34)
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank Borrowings	(740.44)	832.54
Other Borrowings	(869.28)	372.52
Extraordinary Items (incl. Rs.457.26 Lakhs adjusted in fixed assets)	1249.22	1283.02
Interest expense	(2153.75)	(2175.11)
Net cash generated in financing activities	(2514.25)	312.97
Net Increase/ (Decrease) in Cash and Cash Equivalents	573.76	(190.62)
Add: Cash and Cash equivalents at the beginning of the year	116.83	307.45
Cash and cash equivalents at the end of the year	690.59	116.83
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 : 25th May, 2015

For and on behalf of Board of Directors

Gautam Chand Jain
Director

Thati Venkataswamy Chowdary
Director

Prakash Chand Jain
Director

Apurva Jain
Director

Meka Yugandhar
Director

Mahender Chand
Director

Rahul Jain
Director

NOTES FORMING PART OF TO 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) 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. 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.

Lease hold property is amortized over the lease period on straight line basis.

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 of 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.
- (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.

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

- (i) Current Tax

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of the Income-tax Act, 1961.

(ii) Deferred Tax

Deferred tax assets and liabilities are recognised by computing the tax effect on timing differences which arise during the year and reverse in the subsequent periods. The Company is eligible for tax exemption available under section 10AA of the Income Tax Act, 1961, in respect of its unit in Special Economic Zone. In view of tax exemption available to the Company under Section 10AA of the Income Tax Act, 1961, deferred tax is recognised in respect of timing differences, which originate before or during the tax holiday period but reverse before or after the tax holiday period. Deferred tax assets against unabsorbed depreciation and carried forward loss under tax laws, are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets on other timing differences are recognised only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

(iii) Current and Deferred tax is measured based on the provisions of tax laws and tax rates enacted or substantively enacted as at the Balance Sheet date.

2. Notes to Financial Statements:

Rs. In Lacs

Particulars	31.03.2015	31.03.2014
2.1 Share Capital		
Authorised:		
2000000 (2000000) Equity Shares of Rs.10/- each par value	200.00	200.00
Issued, Subscribed and fully paid-up:		
1,00,000 (1,00,000) Equity Shares of Rs.10/- each	10.00	10.00
Total	10.00	10.00

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

Rs. In Lacs

Equity Shares	No.of Shares	No.of Shares
At the beginning of the period	100000	100000
Issued during the period	-	-
Outstanding at the end of the period	100000	100000

2.1.2 Terms / rights attached to equity shares:

The company has only one class of equity shares having a par value of Rs.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 Rs.-Nil-

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 shares held by Holding company

Rs. In Lacs

	31.03.2015		31.03.2014	
	No. of shares	Amount	No. of shares	Amount
Equity shares of Rs.10/- each fully paid				
Holding Company - Directly				
Pokarna Limited	100000	10.00	100000	10.00

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

Rs. In Lacs

	31.03.2015		31.03.2014	
	No. of shares	% holding	No. of shares	% holding
Equity shares of Rs.10/- each fully paid				
Pokarna Limited	100000	100	100000	100

2.2 Reserves and Surplus

Rs. In Lacs

	31.03.2015	31.03.2014
Surplus - Balance in Statement of Profit & Loss		
Opening Balance	(6810.86)	(7490.70)
Add: Profit/ (Loss) for the year	1511.02	679.84
Less: Adjustment of carrying amount of assets (net of tax Rs.5.39 lacs) pursuant to enactment of Schedule -II to the Companies Act,2013	10.46	-
Total	(5310.30)	(6810.86)

2.3 Borrowings

A. Long-term Borrowings

Rs. In Lacs

	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	8288.12	9675.32	1449.31	1316.55
Hire Purchase Loans				
Banks	-	0.81	0.81	6.08
Others	7.87	19.53	11.35	10.02
Unsecured				
Debentures in Holding Company - Pokarna Limited				
Nil (p.y 12521932) Optionally Convertible Debentures of Rs.10/- each (refer note 2.3.4 & 5)	-	1252.19	-	-
61058664 (p.y 48536832) Optionally Convertible Debentures- Series-II of Rs.10/- each (refer note 2.3.4 & 6)	6105.88	4853.69	-	-
Loans & Advances from Related Parties				
Loans from Directors	3023.05	2615.11	-	-
Inter Corporate Deposits	2849.90	2849.90	-	-
Dues to Holding Company - Pokarna Limited	-	2130.80	-	-
Loans & Advances from Others				
Inter Corporate Deposits	457.62	-	22.36	-
	20732.44	23397.35	1483.83	1332.65
Amount disclosed under the head				
"Other Current Liabilities" (Note.2.4(B))			(1483.83)	(1332.65)
Total	20732.44	23397.35	-	-

B. Short Term Borrowings

Rs. In Lacs

	Non-current portion		Current maturities	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Secured				
From Banks				
- Working Capital Loan			2795.53	2275.45
Unsecured				
From Others - Inter Corporate Deposit			75.00	1345.70
Dues to Holding Company - Pokarna Limited			1746.92	-
Total			4617.45	3621.15

2.3.1 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 Rs. 2359.00 lacs.

2.3.2 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

2.3.3 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).

2.3.4 During the year 1,25,21,932 (p.y.4,85,36,832) Optionally Convertible Unsecured Debentures of Rs.10/- each have been converted into Series-II Optionally Convertible Unsecured Debentures of Rs.10/- each at the same terms and conditions with the existing debentures w.e.f. 17th January,2015, refer note no.2.3.6

2.3.5 Optionally Convertible Debentures:

a. Optionally Convertible Debentures were issued for net consideration in terms of order of the Honble High Court of Andhra Pradesh sanctioning Scheme of Arrangement between the Company and Pokarna 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 debenture holder. Upon maturity, failing the exercise of option by the debenture holder, 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 the company. Consequently, no interest is chargeable in respect of the OCDs 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 Rs.10/- each of the Company.

2.3.6 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 Rs.10/- each have been issued 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 debenture holder.

c. Interest on debentures shall be payable @ 3% per annum.

d. Redemption obligation: Redeemable at par in cash

e. Conversion obligation: 15 (Fifteen) OCDs shall be convertible into 1 (One) equity share of Rs.10/- each of the company.

2.4 Other Liabilities

	Rs. In Lacs	
	31.03.2015	31.03.2014
A. Other Long-term Liabilities		
Interest accrued but not due on borrowings	1360.00	1129.15
Total	1360.00	1129.15
B. Other Current Liabilities		
Advance from Customers	186.51	33.95
Creditors for Capital Expenditure	26.01	377.04
Current Maturities of Long term Borrowings (refer note.2.3(A))	1483.83	1332.65
Interest accrued and due on borrowings	0.00	207.28
Statutory Liabilities	49.17	51.36
Other Payables	254.65	109.55
Total	2000.17	2111.83

2.5 Provisions

	Rs. In Lacs	
	31.03.2015	31.03.2014
A. Long-term Provisions		
Provision for Employee Benefits		
Provision for Gratuity	18.95	10.58
Provision for Compensated absences	5.27	2.81
Other Provisions		
Provision for contingency (refer notes 2.5.1 & 2.5.2)	-	658.18
Total	24.22	671.57
B. Short-term Provisions		
Provision for Gratuity	0.69	0.32
Provision for Compensated absences	10.17	6.42
Provision for Warranties (refer notes 2.5.3)	111.00	-
Total	121.86	6.74

Note: 2.7
Fixed Assets

POKARNA ENGINEERED STONE LIMITED
NOTES FORMING PART OF THE BALANCE SHEET

Rs. In Lacs

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01-04-2014	Additions	Deletions	As on 31-03-2015	Up to 31-03-2014	For the Period	Adjustments	As on 31-03-2015	As on 31-03-2015	As on 31.03.2014
Tangible Assets;										
Land-Leasehold	1186.55	-	-	1186.55	240.09	35.96	-	276.05	910.50	946.46
	(1186.55)	-	-	(1186.55)	(204.13)	(35.96)	-	(240.09)	(946.46)	(982.42)
Vehicles	100.92	-	-	100.92	40.92	14.54	-	55.46	45.46	60.00
	(106.72)	-	(5.80)	(100.92)	(32.94)	(10.81)	(2.83)	(40.92)	(60.00)	(73.78)
Furniture's & Fixtures	112.58	13.53	1.27	124.84	25.70	14.38	-	40.08	84.76	86.88
	(113.69)	-	(1.48)	(112.58)	(18.57)	(7.13)	-	(25.70)	(86.88)	(95.12)
Computers	27.58	2.80	-	30.38	15.84	7.61	-	23.45	6.93	11.74
	(22.28)	(5.30)	-	(27.58)	(11.96)	(3.88)	-	(15.84)	(11.74)	(10.32)
Plant and Machinery	15489.73	15.42	342.46	15162.69	3776.37	584.80	-	4361.17	10801.52	11713.36
	(15854.75)	(43.26)	(408.28)	(15489.73)	(2954.45)	(821.92)	-	(3776.37)	(11713.36)	(12900.30)
Factory Building	3668.20	-	79.57	3588.63	557.31	120.23	-	677.54	2911.09	3110.89
	(3761.37)	-	(93.17)	(3668.20)	(434.02)	(123.29)	-	(557.31)	(3110.89)	(3327.35)
Building	675.16	-	13.15	662.01	44.67	277.70	0.26	322.11	339.90	630.49
	(690.36)	(0.19)	(15.39)	(675.16)	(204.13)	(11.29)	-	(44.67)	(630.49)	(656.98)
Electrical Installation	931.02	3.90	21.89	913.03	227.54	129.65	-	357.19	555.84	703.48
	(952.44)	(2.95)	(24.37)	(931.02)	(178.10)	(49.44)	-	(227.54)	(703.48)	(774.34)
Office Equipment	91.94	7.52	-	99.46	18.49	14.61	-	33.10	66.36	73.45
	(90.74)	(1.20)	-	(91.94)	(14.16)	(4.33)	-	(18.49)	(73.45)	(76.58)
Total	22283.68	43.17	458.34	21868.51	4946.93	*1199.48	0.26	6146.15	15722.36	17336.75
Previous Year	22778.90	53.27	548.49	22283.68	3881.71	1068.05	2.83	4946.93	17336.75	18897.19

Note: 2.7.1 - The gross block of fixed assets have been adjusted by Rs.457.26 Lakhs (previous year Rs.535.39 Lakhs), equivalent to gain / benefit on redemption of FCCBs at a discounted price and the same has been transferred by Pokarna Limited as per scheme of Arrangement and agreement thereto.

*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 Rs.15.85 Lacs.

	Particulars	Opening Balance	Restatement / Payment	Gain on Redemption	Closing Balance
2.5.1	Provision for Contingency	658.18	41.07	-699.25	-

2.5.2 During the year parent company has redeemed the balance of 2461 (p.y. 5839) bonds of FCCBs as per the negotiated terms with the bond holders and the gain / benefit, cost, charges including foreign exchange gain / loss for the year have been transferred by parent company to the company, as per the Scheme of Arrangement sanctioned by Honble Andhra Pradesh High Court and agreement thereto and adjusted against provision created in earlier for contingency.

	Particulars	Opening Balance	Provision recognized	Provision utilized	Closing Balance
2.5.3	Provision for warranty	-	111.00	-	111.00

- Provision for warranties are expected to be utilized over a period of 6 months to 1 year.

2.6 Trade Payables

Rs. In Lacs

	31.03.2015	31.03.2014
Trade Payables	1373.26	1329.77
Total	1373.26	1329.77

2.8 Deferred Tax Asset (net)

Rs. In Lacs

	31.03.2015	31.03.2014
Deferred Tax Asset		
Carryover Losses	1662.97	1930.23
Others	37.73	-
Provision for doubtful debts	34.02	-
Deferred Tax Liabilities	1734.72	1930.23
Depreciation		
	890.96	801.22
	890.96	801.22
	843.76	1129.01

2.9 Loans & Advances

Rs. In Lacs

	31.03.2015	31.03.2014
A.Long-term Loans and Advances		
Unsecured, considered good unless stated otherwise		
Capital Advances	71.91	0.79
Security Deposit	64.88	58.39
Other Advances	19.66	19.66
Total	156.45	78.84
B.Short-term Loans and Advances		
Unsecured, considered good unless stated otherwise		
Advance for Raw Material	75.39	12.11
Balance with Customs & Excise Authorities	-	0.10
Advance Income Tax	3.77	2.87
Prepaid Expenses	27.81	18.65
Other Advances	69.71	28.98
Total	176.68	62.71

2.10 Inventories

Rs. In Lacs

	31.03.2015	31.03.2014
Raw Material (includes in transit Rs.12.04 Lacs (p.y.Rs. Nil Lacs))	403.97	297.58
Work-in-progress	748.89	680.01
Finished Goods	2495.84	3394.58
Consumables, Stores & Spares (includes in transit Rs.5.20 Lacs (p.y.Rs.Nil Lacs))	414.12	317.90
Packing Material	27.02	4.72
Total	4089.84	4694.79

2.11 Trade Receivables

Rs. In Lacs

	31.03.2015	31.03.2014
Unsecured, considered good unless stated otherwise		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered good	124.85	156.32
Doubtful	100.11	-
Other receivables		
Considered good	2907.29	1703.82
	3132.25	1860.14
Less: Provision for doubtful debts	100.11	-
Total	3032.14	1860.14

2.12 Cash and Bank Balances

Rs. In Lacs

	Non-current		Current	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Cash and Cash Equivalents				
Balances with Banks in current accounts			595.67	21.96
Deposits - Margin Money				
with maturity less than three months			94.81	94.56
Cash in Hand			0.11	0.31
			690.59	116.83
Other Bank Balances				
Deposits - Margin Money				
with maturity for more 3 months but less than 12 months			87.07	77.26
Total	-	-	777.66	194.09

2.13 Other Assets

Rs. In Lacs

	31.03.2015	31.03.2014
Other Current Assets		
Unsecured, considered good unless stated otherwise		
Interest accrued on fixed deposits	7.49	2.70
Total	7.49	2.70

2.14 Revenue from Operations

Rs. In Lacs

	31.03.2015	31.03.2014
Sale of Products		
Finished Goods (Quartz Surfaces)	14007.14	6243.55
Other Operating Income		
Scrap Sales	7.43	3.28
Revenue from Operations (Gross)	14014.57	6246.83

2.15 Other Income

Rs. In Lacs

	31.03.2015	31.03.2014
Interest income on		
Bank Deposits	13.60	11.98
Others	3.68	3.69
Miscellaneous Income	0.85	0.95
Profit on sale of Asset	0.08	-
Foreign Exchange Gain	319.48	-
Total	337.69	16.62

2.16 Cost of Raw Material and Components consumed

(Quartz, Chemicals etc.,)

Rs. In Lacs

	31.03.2015	31.03.2014
Opening Stock	297.58	237.03
Add: Purchases	5098.86	3046.87
	5396.44	3283.90
Less: Closing Stock	403.97	297.58
Total	4992.47	2986.32

2.17 (Increase) / Decrease in Inventories

(Quartz, Chemicals etc.,)

Rs. In Lacs

	31.03.2015	31.03.2014
Opening Stock		
Finished Goods	3394.58	2593.97
Work-in-Process	680.01	372.17
	4074.59	2966.14
Less: Closing Stock		
Finished Goods	2495.84	3394.58
Work-in-Process	748.89	680.01
	3244.73	4074.59
Total	829.86	(1108.45)

2.18 Employee Benefit Expenses

Rs. In Lacs

	31.03.2015	31.03.2014
Salaries, Wages, Bonus and Allowances	503.81	377.64
Contribution to Provident Fund and Other Fund	34.24	26.25
Retirement Benefits	14.01	(1.85)
Staff Welfare Expenses	37.49	41.86
Total	589.55	443.90

2.19 Other Expenses

Rs. In Lacs

	31.03.2015	31.03.2014
Consumption of Stores & Spares	1239.23	776.36
Other processing expenses	37.57	38.19
Power and Fuel	413.12	366.94
Repairs and Maintenance:-		
- Plant and Machinery	36.56	21.57
- Building	15.62	8.18
- Others	6.57	0.15
Lease Rent	11.86	11.86
Rent	15.77	15.78
Rates and Taxes	25.19	20.47
Insurance	92.12	49.30
Communication Charges	4.40	3.71
Printing & Stationery	9.17	3.79
Travelling & Conveyance Expenses	29.96	25.73
Electricity Charges	8.14	6.46
Vehicle Maintenance	33.53	28.52
Auditors Remuneration	2.82	1.16
Legal and Professional Charges	35.38	50.52
Directors Sitting Fees	2.70	-
Carriage Outwards	567.31	149.28
Sales Commission	2.81	-
Discounts and Claims	19.54	15.26
Business Promotion Expenses	45.61	34.10
Provision for Doubtful Debts	100.11	-
Provision for Warranties	111.00	-
Packing Material	151.46	84.14
Fee & Subscriptions	3.24	0.66
Sales Tax	40.28	11.28
Bank Charges	65.01	59.22
Foreign Exchange Loss	-	13.26
Loss of assets in cyclone	24.22	0.41
Miscellaneous Expenses	2.02	1.64
Total	3152.32	1797.94

2.19.1 - Auditors Remuneration

Rs. In Lacs

Particulars	31.03.2015	31.03.2014
Statutory Audit	1.50	0.75
Tax Audit	0.50	0.25
Certification	0.72	0.14
Out of pocket expenses	0.10	0.02

2.20 Depreciation & Amortization

Rs. In Lacs

	31.03.2015	31.03.2014
Depreciation on tangible assets	1183.63	1068.05
Total	1183.63	1068.05

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 Rs.10.46 lacs (net of deferred tax of Rs.5.39 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 Rs.125.68 lacs, had the company continued with the previous assessment of useful life of such assets.

2.21 Finance Costs

Rs. In Lacs

	31.03.2015	31.03.2014
Interest on Borrowings:		
- Banks	1422.56	1335.37
- Others	444.60	584.88
Cost of Interest on Debentures (refer notes 2.21.1)	286.59	254.86
Total	2153.75	2175.11

2.21.1 Variable coupon / interest on debentures has been computed and accounted for as equivalent to all costs / expenditure incurred including foreign exchange gain / loss associated with the FCCBs issued by the parent company which are transferred by them as per the scheme of Arrangement and agreement thereto for Optionally Convertible Debentures of Rs.133.36 lacs and interest @3% on Series-II Optionally Convertible Debentures is of Rs.153.23 lacs.

2.22 Extra-ordinary Items

During the year, the parent company has redeemed 2461 (p.y.5839) Zero coupon Foreign Currency Convertible Bonds at a negotiated discount price, resulting in gain / benefit of Rs.791.96 Lacs (py.747.63 Lacs..) which have been transferred by parent company in terms of Scheme of arrangement and agreement thereto. This has been disclosed separately as an Extra-Ordinary item in the financial statements.

2.23 Contingent Liabilities not provided for

Rs. In Lacs

Particulars	31.03.2015	31.03.2014
a) Bank Guarantees	-	-
b) Letter of Credits outstanding	166.87	95.72
c) Bond-Cum-Legal Undertaking has been issued in favour of President of India acting through Development Commissioner of Visakhapatnam Special Economic Zone for setting up a SEZ unit for availing exemption from payment of duties, taxes or cess or drawback and concession etc.,	6250.00	6250.00
d) Claims against the company / disputed liabilities not acknowledged as debts:		
i) Fuel Surcharge adjustment (FSA) claim to the extent billed by Power distribution Companies of AP.	0.85	0.85
ii) Other Claims	26.93	26.93
iii) The recompense amount payable in lieu of lenders sacrifice, under CDR proposal, as computed by the management.	2359.00	2359.00

2.24 Capital Commitments

Rs. In Lacs

Particulars	31.03.2015	31.03.2014
Estimated amount of contracts remaining to be executed on Capital Account not provided for	136.18	20.00

2.25 Financial and Derivative Instruments

Rs. In Lacs

Particulars	31.03.2015	31.03.2014
Foreign currency exposure that are not hedged by derivative or forward contracts as on 31st March 2015	2670.75	1324.65

2.26 Deferred Tax

Rs. In Lacs

Particulars	31.03.2015	31.03.2014
Deferred Tax Asset		
Carryover Losses	-	1930.23
Provision for Debtors	34.03	-
Others	37.73	
Total	71.76	1930.23
Deferred Tax Liabilities		
Depreciation	95.14	801.22
Carryover Losses	267.26	
Total	362.40	801.22
Net Deferred Tax Asset	(290.64)	1129.01

2.27 Related Party Transactions

a) Enterprises where control exists:

There are no subsidiary companies where control exists

b) Names of the Associate concerns:

Pokarna Fabrics Limited, Pokarna Fashions Limited, Pokarna Marketing Limited

c) Names of Key Management Personnel

Gautam Chand Jain, Rahul Jain, Apurva Jain

d) Names of Relatives

Prakash Chand Jain, Ashok Chand Jain, Raaj Kumar Jain, Suvindh Chordia, Rekha Jain

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

Rs. In Lacs

Nature of the Transaction	Associates	Key Management Personnel	Relatives	Total
Sale of Goods	5.94	-	1.19	7.13
	-	-	(22.01)	(22.01)
Purchase of Goods	0.38	-	-	0.38
	(0.25)	-	-	(0.25)
Rent paid	-	-	15.78	15.78
	-	-	(15.78)	(15.78)
Interest payable	256.49	-	-	256.49
	(326.18)	-	-	(326.18)
Sale of Asset	-	1.24	-	1.24
	-	-	-	-
Director Sitting Fees	-	-	0.40	0.40
	-	-	-	-
Loan Received	-	-	495.00	495.00
	(11.85)	-	-	(11.85)
Loan Repaid	-	87.06	-	87.06
	(4.85)	-	-	(4.85)
Balances as at 31/03/2015 - Payables	4164.96	2289.49	778.50	7232.95
	(3934.12)	(2376.55)	(297.87)	(6608.54)
Balances as at 31/03/2015 - Receivable	4.71	1.24	23.21	29.16
	-	-	(22.01)	(22.01)

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

- Sales of goods includes to Pokarna Fashions Limited ₹ 5.94 Lakhs (previous year Rs.Nil Lakhs), Suvindh Chordia Rs.Nil (Previous year ₹ 22.01 Lakhs), Prakash Chand Jain ₹ 1.19 (previous year Rs. Nil Lakhs)
- Purchase of goods include from Pokarna Fashions Limited Rs. Nil Lakhs (previous year ₹ 0.25 Lakhs), Pokarna Fabrics Limited ₹ 0.38 Lakhs (previous year Rs.Nil Lakhs)
- Rent paid to Rekha Jain ₹ 15.78 Lakhs (previous year ₹ 15.78 Lakhs)
- Interest payable to Pokarna Fabrics Limited ₹ 204.74 Lakhs (previous year ₹ 237.83 Lakhs), Pokarna Marketing Limited ₹ 51.75 Lakhs (previous year ₹ 88.35 Lakhs)
- Sale of asset to Gautam Chand Jain ₹ 1.24 Lakhs (previous year Rs. Nil Lakhs)
- Directors Sitting Fees paid to Prakash Chand Jain ₹ 0.40 Lakhs (previous year Rs. Nil Lakhs)

7. Loan received includes from Pokarna Fabrics Limited Rs.Nil lakhs (previous year ₹ 11.85 Lakhs), Prakash Chand Jain ₹ 495.00 Lakhs (previous year Rs.Nil Lakhs)
8. Loan repaid to Pokarna Fabrics Limited Rs.Nil Lakhs (previous year ₹ 4.85 Lakhs), Gautam Chand Jain ₹ 87.06 Lakhs (previous year Rs. Nil Lakhs)
9. Payables include to Pokarna Fabrics Limited ₹ 3330.55 Lakhs (previous year ₹ 3146.28 Lakhs), Pokarna Marketing Limited ₹ 834.42 Lakhs (previous year ₹ 787.84 Lakhs), Gautam Chand Jain ₹ 1408.89 Lakhs (previous year ₹ 1495.95 Lakhs), Rahul Jain ₹ 880.60 Lakhs (previous year ₹ 880.60 Lakhs), Prakash Chand Jain ₹ 778.50 Lakhs (previous year ₹ 283.50 Lakhs), Rekha Jain Rs.Nil Lakhs (previous year ₹ 14.37 Lakhs).
10. Receivables from Suvidh Chordia ₹ 22.01 Lakhs (previous year ₹ 22.01 Lakhs), Pokarna Fashions Limited ₹ 4.71 Lakhs (previous year Rs. Nil Lakhs), Gautam Chand Jain ₹ 1.24 Lakhs (previous year Rs.Nil Lakhs), Prakash Chand Jain ₹ 1.19 Lakhs (previous year Rs.Nil Lakhs)

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

Particulars	Rs. In Lacs	
	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
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	Rs. In Lacs	
	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	1511.02	679.84
Denominator for Basic earnings per share:		
Basic / Weighted Average number of shares	100000	100000
Basic / Diluted Earnings Per Share (in Rs.)	1511.02	679.84

2.30 Segment Reporting

Company is having only one reportable segment i.e., Quart Surfaces, Information about geographical wise sale is as follows:

Country	Rs. In Lacs	
	31.03.2015	31.03.2014
U.S.A	9838.16	4403.94
Europe	732.20	171.26
Australia	1.68	6.04
India	1464.17	372.91
Rest of the World	1537.38	1195.30
Total	13573.59	6149.45

2.31 Employee Benefits:

Rs. In Lacs

Particulars	31.03.2015	31.03.2014
Defined Contribution Plan		
Employers contribution to Provident Fund	34.24	26.25

Defined Benefit Plan

The present value of Gratuity 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.

Rs. In Lacs

Particulars	Gratuity		Compensated Absence	
	(Unfunded)		(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	10.90	17.80	3.06	5.55
Current service cost	6.35	3.61	4.61	3.35
Past Service Cost	-	-	-	-
Interest cost	0.91	1.26	0.22	0.34
Actuarial(Gain)/Loss	2.93	(7.44)	(1.01)	(3.51)
Benefits paid	(1.46)	(4.33)	(1.22)	(2.68)
Projected Benefit Obligation at year end	19.63	10.90	5.66	3.06

b) Reconciliation of fair value of assets and Obligation				
Fair value of Plan assets	N.A	N.A	N.A	N.A
Present value of Projected Benefit obligation	19.63	10.90	5.66	3.06
Amount recognized in Balance Sheet	(19.63)	(10.90)	(5.66)	(3.06)

c) Expenses recognized during the year Under the head "Personnel Costs".				
Current service cost	6.35	3.61	4.61	3.35
Interest cost	0.91	1.26	0.22	0.34
Past Service Cost	-	-	-	-
Expected return on Plan Assets	-	-	-	-
Actuarial(Gain)/Loss	2.93	(7.44)	(1.01)	(3.51)
Income(-)/Expenses(+) recognized in the statement of Profit & Loss	10.19	(2.57)	3.82	0.18

Rs. In Lacs

Particulars	Gratuity		Compensated Absence	
	(Unfunded)		(Unfunded)	
	Year Ended	Year Ended	Year Ended	Year Ended
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
d) Actuarial Assumptions				
	2006-08	1994-96	2006-08	1994-96
	(Ultimate)	(Ultimate)	(Ultimate)	(Ultimate)
Mortality Table (L.I.C)				
Discount rate (per annum)	7.77%	9.00%	7.77%	9.00%
Rate of escalation in salary (per annum)	5.00%	5.00%	5.00%	5.00%
Attrition Rate	5.00%	5.00%	5.00%	5.00%

e) The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors.

2.32 Provisions

Rs. In Lacs

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	-	100.11	-	-	100.11

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

Rs. In Lacs

Class of Goods		31.03.2015		31.03.2014	
		Value	%	Value	%
Raw Material	Imported	212.23	4.25	276.86	9.27
	Indigenous	4780.24	95.75	2709.46	90.73
	Total	4992.47	100.00	2986.32	100.00
Consumables, Stores & Spares	Imported	801.31	64.66	538.65	69.38
	Indigenous	437.92	35.34	237.71	30.62
	Total	1239.23	100.00	776.36	100.00

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

Rs. In Lacs

	31.03.2015	31.03.2014
Raw Material	177.36	307.53
Consumables, Stores & Spares	833.29	536.70
Capital items	8.94	40.33

c) Earnings in foreign currency

Rs. In Lacs

	31.03.2015	31.03.2014
Revenue from Export Sales on FOB basis	11688.50	5775.35

d) Expenditure in foreign currency

Rs. In Lacs

	31.03.2015	31.03.2014
Travel & Conveyance	8.31	3.33
Business Promotion	-	5.48
Professional & Consultancy	10.21	35.25
Others	5.91	0.54

2.34 Previous years figures have been regrouped, rearranged and reclassified, wherever considered necessary, in order to conform to the current years presentation.

As per our report attached

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

Shantilal Daga
Partner
Membership No. 11617

Place : Hyderabad
Date : 25th May, 2015

For and on behalf of Board of Directors

Gautam Chand Jain
Director
Thati Venkataswamy Chowdary
Director

Prakash Chand Jain
Director
Apurva Jain
Director

Meka Yugandhar
Director
Mahender Chand
Director
Rahul Jain
Director



2456 - Brown Leaf

Quantra®

Natural Quartz surfaces from Pokarna
Technology. Powered by nature.

REGISTERED OFFICE

CIN No. : U17219TG2001PLC036015

105, First Floor, Surya Towers, Sardar Patel Road, Secunderabad - 500003, Telangana State India.

Tel: 91-40-27842182, 27844101, 66266777, Fax: 91-40-27842121

Email: contact@quantra.in, Website: www.quantra.in

