

22<sup>nd</sup> August, 2014

**Form A**  
**Pursuant to Clause 31(a) of the Listing Agreement**

1.	Name of the company	Pokarna Limited
2.	Annual financial statements for the year ended	31 <sup>st</sup> March, 2014
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not applicable

For M/s. Pokarna Limited



**Gautam Chand Jain**  
**Chairman & Managing Director**

For M/s. Pokarna Limited



**Meka Yugandhar**  
**Chairman of Audit Committee**

For M/s. Pokarna Limited



**M. Viswanatha Reddy**  
**Chief Financial Officer**

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



**Shantilal Daga**  
**Partner**  
**Membership No. 11617**

**23rd Annual Report 2013-2014**



**POKARNA LIMITED**

**POKARNA<sup>®</sup>**

India's No.1 Granite Company

**Quantra<sup>®</sup>**

Natural Quartz surfaces from Pokarna

Technology. Powered by nature.<sup>®</sup>

**STANZA<sup>®</sup>**

Sameness Deleted<sup>®</sup>

## MESSAGE FROM CHAIRMAN

Dear Fellow Shareholders:

On behalf of the Board of Directors, I am pleased to present to you our Annual Report for the fiscal year ended 31st March, 2014.

I will begin with a brief word about the financial performance of the Company.

In the Granite Division, during the year 2013-14, your Company has achieved revenues of ₹ 1,549 million and PBIT of ₹ 295 million. Domestic Export mix stood at ₹ 482 million & ₹ 1067 million respectively with major export contribution coming from USA i.e., ₹ 494 million, contributing 46% to export revenues.



Apparel Division of the Company achieved revenues of ₹ 143 million and PBIT of ₹ (118) million. Entire revenue during the year was achieved from domestic market.

Wholly owned subsidiary of the Company M/s. Pokarna Engineered Stone Limited has achieved revenues of ₹ 615 million and PBIT of ₹ 98 million. Domestic Export mix stood at ₹ 37 million & ₹ 578 million respectively with major export contribution from USA i.e., ₹ 440 million contributing 76% to export revenues.

With improved financial performance, you – our Company's owners – naturally also profit from this growth, through a proposed dividend of ₹ 2.00 per equity share.

Your Company is increasingly becoming a strong and well liked player across the globe in the natural stone space, particularly Granite and Quartz. Over the last few years, we have invested a significant amount of time and effort towards building a deep understanding of consumer preferences, developing a large array of colour, design and shade variations and setting up operations supported by the latest state-of-the-art infrastructure.

The plans for your company are not short range in nature or design. They are meant to provide shareholders with long term value and sustainable top and bottom line growth. One of our long-term goal is to become better, more efficient, more environmentally friendly and even more customer-centric – from development through production down to sales.

Going forward, we will continue to focus on long term value creation in the businesses we know and understand better. In Granite and Quartz, though pleased with our progress, we know there remains abundant opportunity to expand our national and international presence, while continuing to enhance our offering and achieve higher levels of productivity in our operations. It remained a challenging year for your Company's Apparel business, which suffered from sluggish demand and lower capacity utilization. In essence, the Company's growth in short to medium term will be driven by the Granite business and subsidiary's Quartz business will become a key contributor to earnings in future.

We are focused on improving our earnings and the awareness of our Company within the investment community. Subject to applicable laws we will seek new avenues and opportunities to tell Pokarna story and share our vision for the Company's future. We believe that ultimately it is our financial performance that will have the greatest impact on how we are truly perceived by the investment community.

Our appreciation, as always, goes out to all of our shareholders, bankers, employees, customers, suppliers and other stakeholders for supporting our efforts in the past and into tomorrow. Allow me also to express my appreciation to all the members of our Board of Directors, who continue to be invaluable. We all continue to look forward to a more prosperous future together.

Yours sincerely,

**Gautam Chand Jain**

Chairman & Managing Director, Pokarna Limited

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## CORPORATE INFORMATION



### BOARD OF DIRECTORS



**Left to Right:**

Ms. Apurva Jain, Additional Director (whole-time), Mr. Rahul Jain, Executive Director,  
Mr. Vinayak Rao Juvvadi, Independent Director, Mr. Prakash Chand Jain, Non-executive Director,  
Mr. Dhanji Lakhamsi Sawla, Independent Director, Mr. Mahender Chand, Independent Director,  
Mr. Thati Venkataswamy Chowdary, Independent Director, Mr. Meka Yugandhar, Independent Director,  
Mr. Gautam Chand Jain, Chairman & Managing Director.

**STATUTORY AUDITORS**

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



**INTERNAL AUDITOR**

Mr. M. Murali Jagannathan, Chartered Accountant, Hyderabad



**COST AUDITORS**

M/s DZR & Co, Cost Accountants, Hyderabad



**SECRETARIAL AUDITOR**

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



**CHIEF FINANCIAL OFFICER**

Mr. M. Viswanatha Reddy



**COMPANY SECRETARY**

Mr. Vinay Paruchuru



**LISTED ON**

Bombay Stock Exchange Limited (BSE)

Scrip code: 532486



**REGISTRAR AND SHARE TRANSFER AGENTS**

M/s. Karvy Computershare Private Limited,

Plot No. 17 to 24, Vithal Rao Nagar,

Madhapur, Hyderabad – 500081



**BANKERS**

Union Bank of India, Khairatabad, Hyderabad

## LOCATIONS

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### REGISTERED OFFICE

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

Tel: 040-27842182, 27844101, 66266777.

Fax: 040-2784 2121

Email: [contact@pokarna.com](mailto:contact@pokarna.com)

Website: [www.pokarna.com](http://www.pokarna.com),

CIN: L14102TG1991PLC013299

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## FACTORIES

### GRANITE DIVISION

#### Unit – I

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

#### Unit – II

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

### APPAREL DIVISION

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

## QUARTZ SURFACES

Wholly owned subsidiary of the Company

### **Pokarna Engineered Stone Limited**

Engineered Quartz Surfaces plant

Plot. No: 45, APSEZ, Achutapuram

Rambilli Mandal, Vishakapatnam District,

Andhra Pradesh.

## OUR OPERATIONS

### Quarry Operations



Unit – II, Aliabad Village, Shameerpet (Mandal), R.R. District, Telangana State



Some of our final products:  
Carrara White:



Hail Storm:



Apparel Division (Stanza): Apparels Export Park, Gundla Pochampally(Village), Medchal (Mandal), R.R. District, Telangana State.



Glance of the marketing activities of the Company, during FY. 2013-14:



Xiamen Fair, 2014 – China

## TWENTY THIRD ANNUAL GENERAL MEETING

### NOTICE :

Notice is hereby given that the 23<sup>rd</sup> Annual General Meeting of Members of Pokarna Limited, will be held on **Monday, 15<sup>th</sup> September, 2014, at 10.30 a.m., at Hotel Vivanta, by Taj, opp. Hyderabad Public School, Begumpet, Hyderabad, Telangana State, India** to transact the following businesses:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited standalone and consolidated financial statements of the Company for the financial year ended 31st March, 2014, the reports of the Board of Directors and Auditors of the Company thereon;
2. To declare dividend on Equity Shares of the Company for the financial year ended 31st March, 2014.
3. To appoint a Director in place of **Mr. Rahul Jain (DIN: 00576447)** designated as Executive Director, who retires by rotation and being eligible, offers himself for re-appointment.
4. To reappoint M/s. S. Daga & Co.,(Registration No. 000669S), Chartered Accountants, Hyderabad as Statutory Auditors of the company, to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and authorize Board of Directors to fix their remuneration.

### SPECIAL BUSINESS:

5. To appoint **Ms. Apurva Jain (DIN: 06933924)** as Whole-Time Director of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Section 196, 197, 198 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 read with rules made there under **Ms. Apurva Jain (DIN: 06933924)** who was appointed as an Additional Director (Whole-time) in the Board Meeting held on **09th, August 2014** and who ceases to be a director on the commencement of 23rd Annual General Meeting be and is hereby appointed as the **Whole Time Director** of the Company designated as **Executive Director**, for a period of **5 years with effect from 09th August, 2014**, whose office is liable to retire by rotation, on the terms and conditions, including remuneration as set forth in the explanatory statement related to this business (Item.No.5), with a liberty to the Board of directors (hereinafter referred to as ‘the Board’ which term shall be deemed to include any committee of the Board constituted to exercise its powers, including the powers conferred by this resolution) to alter and/ or vary the terms and conditions of the appointment in such manner as may be agreed to between the Board and Ms. Apurva Jain, subject to the provisions of Companies Act, 2013.

6. To appoint **Mr. Meka Yugandhar (DIN: 00012265)** as Independent director of the company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as **Ordinary resolution:**

**“RESOLVED THAT** pursuant to the provisions of Sections **149, 150, 152, 160** and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed there under, read with Schedule IV to the Act, as amended from time to time, **Mr. Meka Yugandhar (DIN: 00012265)** an Independent Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149 (6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from **15th, September 2014 to 31st March, 2019**, whose office is not liable to retire by rotation”.

7. To appoint **Mr. Vinayak Rao Juvvadi (DIN: 00229415)** as Independent director of the company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as **Ordinary resolution:**

**“RESOLVED THAT** pursuant to the provisions of Sections Sections **149, 150, 152, 160** and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed there under, read with Schedule IV to the Act, as amended from time to time, **Mr. Vinayak Rao Juvvadi (DIN: 00229415)**, an Independent Director of the

Company and who has submitted a declaration that he meets the criteria for independence as provided in Section 149 (6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from **15th, September 2014 to 31st March, 2019**, whose office is not liable to retire by rotation”.

8. To appoint **Mr. Thati Venkataswamy Chowdary (DIN: 00010435)** as Independent director of the company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as **Ordinary resolution:**

“**RESOLVED THAT** pursuant to the provisions of **Sections 149, 150, 152, 160** and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed there under, read with Schedule IV to the Act, as amended from time to time, **Mr. Thati Venkataswamy Chowdary (DIN: 00010435)**, an Independent Director of the Company and who has submitted a declaration that he meets the criteria for independence as provided in Section 149 (6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from **15<sup>th</sup>, September 2014 to 31<sup>st</sup> March, 2019**, whose office is not liable to retire by rotation”.

9. To appoint **Mr. Mahender Chand (DIN: 00008449)** as Independent director of the company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as **Ordinary resolution:**

“**RESOLVED THAT** pursuant to the provisions of Sections **Sections 149, 150, 152, 160** and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed there under, read with Schedule IV to the Act, as amended from time to time, **Mr. Mahender Chand (DIN: 00008449)**, an Independent Director of the Company and who has submitted a declaration that he meets the criteria for independence as provided in Section 149 (6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from **15th, September 2014 to 31st March, 2019**, whose office is not liable to retire by rotation”.

10. To appoint **Mr. Dhanji Lakhamsi Sawla (DIN: 00007918)** as Independent director of the company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as **Ordinary resolution:**

“**RESOLVED THAT** pursuant to the provisions of Sections **Sections 149, 150, 152, 160** and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed there under, read with Schedule IV to the Act, as amended from time to time, **Mr. Dhanji Lakhamsi Sawla (DIN: 00007918)**, an Independent Director of the Company and who has submitted a declaration that he meets the criteria for independence as provided in Section 149 (6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from **15th, September 2014 to 31st March, 2019**, whose office is not liable to retire by rotation”.

11. To approve the remuneration payable to the Directors who are neither the Managing Directors nor the Whole Time Directors of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as **Ordinary resolution:**

“**RESOLVED THAT** pursuant to Section 197, 198 and all other applicable provisions of the Companies Act, 2013, provisions of Listing agreement and the Articles of Association of the Company, in addition to sitting fees being paid/ payable for attending the meetings of the Board of Directors of the Company and committees thereof, the Company be and is hereby authorized to pay to its Directors (other than a Managing Director(s) and whole-time Director(s) of the Company) for a period of three years commencing from April 1, 2014, such commission as the Board of Directors may from time to time determine (to be divided amongst them in such proportion as may be determined by the Board of Directors from time to time and in default of such determination equally), but so that such commission shall not exceed 1% of the net profits of the Company in any financial year (computed in the manner provided in Section 198 of the Companies Act, 2013) plus service tax at applicable rate.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to determine the precise quantum of commission payable to each of such Non-executive Independent Directors of the Company

on a year to year basis and to take such steps as may be necessary, desirable or expedient to give effect to this resolution”.

12. To Sanction the borrowing limits and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as **Special resolution:**

**“RESOLVED** that in supersession of the Ordinary Resolution adopted at the **15th Annual General Meeting held on 29th September, 2006** and pursuant to Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors to borrow moneys in excess of the aggregate of the paid up share capital and free reserves of the Company, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained/to be obtained from the Company’s Bankers in the ordinary course of business, shall not be in excess of ₹ 250 Crores (Rupees Two Hundred and Fifty Crores ) over and above the aggregate of the paid up share capital and free reserves of the Company.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby further authorized to create mortgages and/or charges on such properties of the Company as it may think fit and for that purpose to execute such documents, papers, deeds and writings containing such conditions and covenants as the Board may think fit and to take all such steps as may be necessary or desirable to give effect to this Resolution.

**By order of the Board**

Date : 09.08.2014

Place : Aliabad

**Vinay Paruchuru**

Company Secretary & Compliance Officer

Registered Office:

105, First Floor, Surya Towers,

S. P. Road,

Secunderabad- 500 003.

CIN: L14102TG1991PLC013299

Tel: 040-27842182 Fax: 040-2784 2121

Email : companysecretary@pokarna.com

Website : www.pokarna.com

## NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

2. A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

DURING THE PERIOD BEGINNING 24 HOURS BEFORE THE TIME FIXED FOR THE COMMENCEMENT OF THE MEETING AND ENDING WITH THE CONCLUSION OF THE MEETING, A MEMBER WOULD BE ENTITLED TO INSPECT THE PROXIES LODGED WITH THE COMPANY, AT ANY TIME DURING THE BUSINESS HOURS OF THE COMPANY, PROVIDED THAT NOT LESS THAN THREE DAYS OF NOTICE IN WRITING IS GIVEN TO THE COMPANY.

3. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. Brief resume of Directors including those proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the statement given pursuant to Section 102(1) of the Companies Act, 2013.
5. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
6. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. Relevant documents referred to in the accompanying Notice and the Statements are open for inspection by the members at the Registered Office of the Company on all working days, during business hours up to the date of the Meeting.
9.
  - a) The Company has notified closure of Register of Members and Share Transfer Books from **06<sup>th</sup> September, 2014 to 15<sup>th</sup> September, 2014** (Both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting.
  - b) The dividend on Equity Shares, if declared at the Meeting, will be credited / dispatched between **16<sup>th</sup> September, 2014 and 14<sup>th</sup> October, 2014** to those members whose names shall appear on the Company's Register of Members on **06<sup>th</sup> September, 2014**; in respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.
  - c) The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the Meeting.
  - d) The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the Meeting.

10. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars and Transfer Agents, Karvy Computershare Private Limited (“Karvy”) cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant (“DP”) by the members.
11. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their DPs with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company / Karvy.
12. Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, the Company has transferred the unpaid or unclaimed dividends for the financial years ending up to 2005-06 from time to time on due dates, to the Investor Education and Protection Fund (the IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September, 17<sup>th</sup>, 2013 (date of last Annual General Meeting) on the website of the ministry of corporate affairs.

Members who have not en-cashed the dividend warrant(s) so far for the financial years ended 31st March, 2007 and 2008 are requested to make their claim to the Company at its Registered Office. It may also be noted that once the unclaimed dividend is transferred to the Investor Education and Protection Fund (IEPF) no claim shall lie in respect thereof with the Company.

13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their DPs with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the company/karvy.
14. Members can avail the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of section 72 of the Companies Act, 2013. Members desiring to avail this facility may send their nomination in the prescribed form no. SH13, duly filled in to Karvy. The prescribed form can be obtained from Karvy / DPs.
15. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Karvy, for consolidation in to single folio.
16. Electronic Copy of the Annual Report for 2013-14 is being sent to all the members whose email IDs are registered with the Company/DP's for communication. For members who have not registered their email address, physical copies of the Annual Report for 2014 is being sent in permitted mode. The Annual Report may also be accessed in the Company's Website [www.pokarna.com](http://www.pokarna.com).
17. The Company's Equity shares are listed at Bombay Stock Exchange Ltd., Phiroze JeeJee Bhoj Towers, Dalal Street, Mumbai - 400 001 and the company has paid the Listing Fees to the said Stock Exchange, up to date.
18. Pursuant to Section 108 of Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members' facility to exercise their right to vote at the AGM by electronic means and the business may be transacted through e-voting services provided by Karvy.
19. The Notice of E-Voting containing login ID and password for e-voting along with process, manner and instructions for e-voting is being sent to the members along with the copy of the Notice.
20. The Company has appointed Mr. K.V. Chalama Reddy, Practicing Company Secretary (C.P.No. 5451), as Scrutinizer for conducting the e-voting process for the Meeting in a fair and transparent manner.
21. Members are requested to send in their queries at least a week in advance to the Company Secretary at the Registered Office of the Company to facilitate clarifications during the meeting.

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

### **Item No. 5: Appointment of Ms. Apurva Jain as Whole Time Director of the Company.**

At the meeting held on 9th August, 2014, the Board of Directors of the Company had, based on recommendation of Nomination and Remuneration Committee of the Board of Directors, approved appointment of Ms. Apurva Jain as an Additional Director of the Company. Pursuant to Section 161(1) of the Companies Act 2013, Ms. Apurva Jain holds office till the date of this Annual General Meeting and appropriate notice has been received from a member proposing appointment of Ms. Apurva Jain as Director of the Company. Requisite consent has been received from Ms. Apurva Jain pursuant to provisions of Section 152 of the Companies Act 2013.

Further, at the same meeting held on 9th August, 2014, subject to approval of members, the Board had approved appointment of Ms. Apurva Jain as a Whole time Director of the Company designated as Executive Director on such terms and at remuneration detailed herein, which is within the limit of 5% of Net profits of the Company as prescribed under Section 197 read with Schedule V of the Companies Act, 2013. The said remuneration was based on the recommendations of the Nomination and Remuneration Committee.

- (1) Tenure: The appointment of Ms. Apurva Jain as the Executive Director shall be valid for a period of 5 years from 9th August, 2014.
- (2) Remuneration:
  - a. Salary: Rs.1,00,000 per month with the authority to the Board of Directors to determine any merit based increase from time to time.
  - b. Performance Bonus / Incentive: Annual Performance Bonus / Incentive as may be approved by the Board based on the performance criteria laid down by the Company.
  - c. Perquisites & Allowances: In addition to the Salary & Performance Bonus / Incentive, Ms. Apurva Jain shall be entitled to following perquisites and allowances: Medical Reimbursements, Club Fees, Personnel Accident & Medical Insurance, use of chauffeur driven company car, telecommunication facilities at residence and such other perquisites and allowances in accordance with rules of the Company.

#### **Overall Remuneration:**

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

#### **Minimum Remuneration:**

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

Except Ms. Apurva Jain to whom the resolution relates and her relatives viz., Mr. Gautam Chand Jain, Mr. Rahul Jain and the other relatives (to the extent of their shareholding in the Company), none of the other Directors and Key Managerial Personnel are interested financially or otherwise, in the resolution at Item. No. 5 of the accompanying Notice.

### **Item No. 6 to 10: Appointment of Independent Directors.**

The Company had, pursuant to the provisions of Clause 49 of the Listing Agreements entered into with the Bombay Stock Exchange, appointed Mr. Meka Yugandhar, Mr. Thati Venkataswamy Chowdary, Mr. Mahender Chand, Mr. Vinayak Rao Juvvadi and Mr. Dhanji Lakhamji Sawla, as Independent Directors at various times, in compliance with the requirements of the said Clause. Pursuant to the provisions of Section 149 of the Companies Act 2013 (“Act”), which came into effect from 1st April 2014, every listed public company is required to have at least one-third of the total number of directors as Independent Directors. Further, an Independent Director shall hold office for a term upto five consecutive years on the Board of a company and is not liable to retire by rotation. The matter regarding appointment of the above Directors as Independent Directors was placed before the Nomination and Remuneration Committee and the Board of

Directors (“Board”), which recommended their appointment as Independent Directors, from 15th September 2014 to 31st March, 2019.

The above named Directors have given declarations to the Board that they meet the criteria of independence as provided under Section 149(6) of the Act and Clause 49 of the Listing Agreement with Bombay Stock Exchange.

**A brief profile of the Independent Directors to be appointed is given below:**

<b>Name of the Director</b>	<b>Mr. Meka Yugandhar (DIN: 00012265)</b>	<b>Mr. Vinayak Rao Juvvadi (DIN: 00229415)</b>	<b>Mr. Thati Venkataswamy Chowdary (DIN: 00010435)</b>	<b>Mr. Mahender Chand (DIN: 00008449)</b>	<b>Mr. Dhanji Lakhamsi Sawla (DIN: 00007918)</b>
Date of Birth	10.07.1951	05.09.1959	01.06.1943	13.04.1943	06.08.1930
Date of Appointment	29.03.2002	29.01.2003	31.07.2002	01.07.2003	01.07.2003
Expertise in specific functional areas	Securities market, finance, general management and commercial matters	General Management Finance & Strategies	Mining , geology, finance & corporate management	Finance, consumer goods industry, business management and commercial matters	Trading , business administration and commercial management
Qualifications	B.com., FCA	<ul style="list-style-type: none"> <li>•Masters in Applied Chemistry.</li> <li>•Masters in Computer Science from IIT Chicago.</li> <li>•MBA from Kellogg’s School of Management, North western, University, Chicago.</li> </ul>	B.E (Mining), M.B.A, L.L.B, F.I.E, .M.E.A, S.M.E.	B.com., FCA	Secondary
Number of shares held in the Company	Nil	Nil	Nil	Nil	Nil

The Board of Directors of the your company, after reviewing the provisions of the Act, are of the opinion that the above directors fulfils the conditions specified in the Act and the Rules made there under to be eligible to be appointed as Independent Directors pursuant to the provisions of the Section 149 of the Act. The Board of your Company is also of the opinion that the said directors are independent of the management of the Company. The Board considers that their continued association would be of immense benefit to the Company and it is desirable to continue to avail services of the said Directors as an Independent Director.

The Company has received notice from a member under Section 160 of the Companies Act, 2013 along with the necessary deposit proposing candidature of Mr. Meka Yugandhar, Mr. Thati Venkataswamy Chowdary, Mr. Mahender Chand, Mr. Vinayak Rao Juvvadi and Mr. Dhanji Lakhamsi Sawla as an Independent Directors.

Pursuant to provisions of Section 149 read with Schedule IV of the Act the Board recommends the resolution for the approval, by the Members’ of the Company.

Copy of the draft letter(s) of appointment of the Independent Director(s) setting out the terms and conditions of their respective appointments shall be open for inspection by the Members at the Registered Office during normal business hours on any working day of the Company.

These Directors are interested or concerned in the Resolutions in the accompanying Notice relating to their own appointment. None of the other Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the Resolutions at Item Nos.6 to 10 of the accompanying Notice.

**Names of the Companies in which the Independent Directors hold the Directorships/Memberships of Board Committees:**

S. No	Name of the Director	Names of the Companies
1.	Mr. Meka Yugandhar	1) Karvy Computershare Private Limited 2) Karvy Comtrade Limited 3) Karvy Consultants Limited 4) Karvy Global Services Limited 5) Karvy Financial Services Limited 6) Karvy Global Services Inc, USA 7) Karvy Inc, USA 8) Karvy Investor Services Limited 9) Nova Consultants Limited 10) Karvy Investment Advisory Services Ltd. (Formerly Known as Karvy Insurance Broking Limited). 11) Fakhro Karvy Computershare W.L.L (Formerly known as Bahrain Shares Registering Company WLL) 12) Rainbow Children's Medicare Pvt Ltd 13) Eesavyasa Technologies Pvt. Ltd. 14) Pokarna Limited 15) Pokarna Engineered Stone Limited
2.	Mr. Vinayak Rao Juvvadi	1) Sridhama Resorts and Developers Private Limited 2) Manav Garden and Developers Private Limited 3) Pokarna Limited 4) Pokarna Engineered Stone Limited
3.	Mr. Thati Venkataswamy Chowdary	1) Divyashakthi Granites Limited 2) Trimex Industries Private Limited 3) Trimex Ores Private Limited 4) Trimex Sands Private Limited 5) Regma Ceramics Limited 6) Trimex Barite Private Limited 7) Trimex Aggregates and Binders Private Limited 8) Pokarna Limited 9) Pokarna Engineered Stone Limited
4.	Mr. Mahender Chand	1) Kishoresons Detergents Private Limited 2) Janakirama Enterprises Private Limited 3) Sukven Infrastructures Private Limited 4) Pokarna Limited 5) Pokarna Engineered Stone Limited
5.	Mr. Dhanji Lakhamsi Sawla	1) Reliance Cellulose Products Limited. 2) Pokarna Limited 3) Pokarna Engineered Stone Limited

**Item No.11: Approval of remuneration payable to directors who are neither the Managing Directors nor the Whole time Directors of the Company.**

The Non-Executive Director and the Independent Directors of your Company bring with them significant professional expertise and rich experience across a wide spectrum of functional areas such as marketing, technology, corporate strategy, and finance. The Board is of the view that it is necessary that adequate compensation should be given to the Non-Executive Director and the Independent directors so as to compensate them for their time and efforts and also to retain and attract the pool of talent for the growth and prosperity of the Company.

Pursuant to Section 197(7) of the Companies, Act, 2013 any payment of remuneration, in the form of profit related commission, to the Directors who are neither the Managing Directors nor the Whole time Directors of the Company, requires the approval of Members of the Company. Therefore the Board recommends the resolution for the approval of members.

The Non-Executive Director and the Independent Directors of the Company are concerned or interested financially in the resolution since the resolution relates to payment of commission to self. Mr. Gautam Chand Jain and Mr. Rahul Jain who are Director and also Key Managerial Personnel are also concerned or interested financially in the resolution since

the resolution relates to payment of commission to their relative. Save and except these persons, no other Director or Key Managerial Personal of the Company or their relatives are in any way, concerned or interested, financially or otherwise, in the resolution.

**Item No.12: Sanctioning of borrowing limits:**

The members of the Company at their 15<sup>th</sup> Annual General Meeting held on 29<sup>th</sup> September, 2006 approved by way of an Ordinary Resolution under Section 293(1)(d) of the Companies Act, 1956, have accorded the power to Board of Directors, to borrow over and above the aggregate of paid up share capital and free reserves of the Company, provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of **Rs 250 Crores (Rupees two hundred and fifty Crores)**.

Section 180(1)(c) of the Companies Act, 2013 effective from 12th September, 2013 requires that the Board of Directors shall not borrow money in excess of the company's paid up share capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business, except with the consent of the company accorded by way of a special resolution.

It is therefore, necessary for the members to pass a Special Resolution under Section 180(1)(c) and other applicable provisions of the Companies Act, 2013, as set out at Item No. 12 of the Notice, to enable to the Board of Directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company. Approval of members is being sought to borrow money up to Rs 250 Crores (Rupees Two Hundred and Fifty Crores) in excess of the aggregate of the paid up share capital and free reserves of the Company and also authorise the Board of Directors to create charge on assets of the Company, in the process of borrowing the respective amount.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 12.

**Profile of the Directors (apart from Independent Directors) to be appointed/re-appointed (Item No. 3&5):**

<b>Name of the Director</b>	<b>Mr. Rahul Jain (DIN: 00576447)</b>	<b>Ms. Apurva Jain (DIN: 06933924)</b>
Date of Birth	09.11.1979	07.11.1984
Date of Appointment	17.09.2001	09.08.2014
Expertise in specific functional areas	Marketing, Corporate Planning, General Corporate Management and Information Technology.	Marketing & Administration
Qualifications	Graduate from University of Michigan, Ann Arbor, USA	Bachelor of Science (Home Science) from Nirmala Niketan Mumbai.
Names of the Companies in which the Directors hold the Directorships/ Memberships of Board Committees:	1) Pokarna Limited 2) Pokarna Engineered Stone Limited 3) Pokarna Fashions Limited	1) Pokarna Limited 2) Pokarna Engineered Stone Limited

**By order of the Board**

Date : 09.08.2014  
Place : Aliabad

**Vinay Paruchuru**  
Company Secretary & Compliance Officer

Registered Office:  
105, First Floor, Surya Towers,  
S. P. Road,  
Secunderabad- 500 003.  
CIN: L14102TG1991PLC013299  
Tel: 040-27842182 Fax: 040-2784 2121  
Email : companysecretary@pokarna.com  
Website : www.pokarna.com

## DIRECTORS' REPORT TO THE SHAREHOLDERS

Dear Members,

Your Directors are pleased to present the 23<sup>rd</sup> Annual report together with the audited accounts of your company for the financial year ended 31<sup>st</sup> March, 2014. The summarized consolidated and standalone financial performance of your company is as under;

(Amount ₹ in Lacs)

### SUMMARY OF THE FINANCIAL RESULTS

Particulars	Standalone		Consolidated	
	2013- 14	2012-13	2013- 14	2012-13
Total income	17049.25	16022.87	23170.70	20867.02
Less-expenditure	16325.25	15508.99	23643.50	22540.68
Profit/(Loss) Before tax and extra-ordinary items	724.00	513.88	(472.80)	(1673.66)
Total tax expenses	236.13	149.37	(892.89)	149.37
Extra-ordinary item (refer note. 2.23 in consolidated financial statements).	-	-	747.63	1158.75
Profit after tax and Extra-ordinary item	487.87	364.51	1167.72	(664.28)
Balance of Profit & Loss account, brought forward.	2877.12	888.14	(4613.58)	(5573.77)
Amount transferred from FCCB redemption Reserve	3035.26	1624.47	3035.26	1624.47
Amount transferred to General Reserve	36.60	-	36.60	-
Proposed dividend (including tax)	145.10	-	145.10	-
Balance carried to balance sheet	6218.55	2877.12	(592.30)	(4613.58)

### BUSINESS REVIEW

In the Granite Division, during the year 2013-14 your Company has achieved revenues of ₹ 1,549 million and PBIT of ₹ 295 million registering a growth of 10% and 24% respectively. Domestic Export mix stood at ₹ 482 million & ₹ 1067 million respectively with major export contribution coming from USA i.e., ₹ 494 million, contributing 46% to export revenues. During the year 2013-14 your Company executed various projects including supplies to Reliance ADAG Head Quarters - Mumbai, Rajiv Gandhi International Airport - Hyderabad, IREO - Gurgaon, Prestige - Hyderabad, Bengaluru, Chennai, One Market - USA, Barwa Financial District - Qatar, U.S. Consulate - Indonesia.

PESL has achieved revenues of ₹ 615 million and PBIT of ₹ 98 million. Domestic Export mix stood at ₹ 37 million & ₹ 578 million respectively with major export contribution from USA i.e., ₹ 440 million contributing 76% to export revenues. During the year 2013 -14 PESL supplied quartz to various projects including Mumbai International Airport (T2), Continental Hospitals - Hyderabad, Dew Flower, Sobha Developers - Bengaluru, Arlington Downs - USA, Marriott Irvine - USA, Amli Ballard - USA, Amway Specialty Suites - USA.

During the year, Apparel Division of the Company achieved revenues of ₹ 143 million and PBIT of ₹ (118) million. Entire revenue during the year was achieved from the domestic market.

In granite business, your Company is one of the leading manufacturers & providers of choicest and exclusive range of Indian & Imported granites. Your Company has developed long-term relationships with several niche customers in India & abroad. Over the years, your Company has evolved in response to changing customer demands and aspirations. Aggressive marketing and rational utilization of resources has helped granite division of your Company record improved results for the year under review. In line with outlook for the sector, your company is contemplating undertaking an expansion programme in its granite processing facilities and quarries. The feasibility study for the same is under progress.

Your Company is well known in the trade for prospecting, discovering and mining granite. Your Company has over two decades of experience in scientific and sustainable mining, mine planning and development. Your Company-owned and/or operated mines have since its inception, met substantial raw material needs of the Company's granite processing facilities. Currently, Your Company owns and/or operates granite mines in the States of Telangana, Andhra Pradesh and Tamilnadu. Your Company's long-term strategy is to have greater control over raw material resources (granite blocks) and to achieve this, your Company has also made several applications for grant of new mining lease(s) in different states.

Apparel business of Your Company continues to be under pressure. In line with the performance and near term outlook, your Company has moderated its Stanza retail stores roll-out plan. Some of the Stanza stores have also been resized with intent to improve store productivity, efficiency and reducing store operation costs. At locations that weren't performing up to the mark, your company has decided to rationalise spaces by reducing the area or full closure of stores.

Going forward, we will continue to focus on long term value creation in the businesses we know and understand better. In Granite and Quartz, though pleased with our progress, we know there remains abundant opportunity to expand our national and international presence, while continuing to enhance our offering and achieve higher levels of productivity in our operations. It remained a challenging year for your Company's Apparel business, which suffered from sluggish demand and lower capacity utilization. In essence, the Company's growth in short to medium term will be driven by the Granite business and subsidiary's Quartz business will become a key contributor to earnings in future.

#### **SUBSIDIARY & CFS**

In view of the general exemption granted by the Ministry of Corporate Affairs in 2011, the annual accounts of the subsidiary of the Company for the financial year ended 31 March, 2014 are not being attached with this Annual Report of the Company and certain financial highlights of the subsidiary are disclosed in the Annual Report, as part of the Consolidated financial statements. The audited Annual Accounts and related information of the subsidiary will be made available, upon request by any shareholder of the Company, for inspection at the registered office.

#### **FOREIGN CURRENCY CONVERTIBLE BONDS (FCCB's)**

Provision has been retained towards premium payable on redemption of FCCB's which were matured on 29.03.2012 as per the subsisting terms and conditions. As on date bonds have been redeemed to the extent of 9539 bonds as per the negotiated terms with the said bond holders. The gain / benefit, cost, charges including foreign exchange gain / loss at the close of the year are transferred to Pokarna Engineered Stone Limited (subsidiary) as per the Scheme of Arrangement sanctioned by Hon'ble Andhra Pradesh High Court and agreement thereto. The corresponding receivable arising thereof is disclosed under the head 'Loans and Advances to Subsidiary'. The Company expects no further liability other than provided for in the books.

#### **DIVIDEND**

Looking into the improved financial performance, the Board of Directors is pleased to recommend dividend of ₹ 2.00 per equity share of ₹ 10 (20%) for the year ended 31.3.2014. The dividend payout for the year under review, inclusive of Tax on Dividend distribution, is ₹ 145.10 Lacs, resulting in a pay-out of 29.74% of the profits of the Company on a stand-alone basis.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors responsibility statement, your directors confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed and no material departures have been made from the same;
- 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, 1956 and 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.

## **AUDIT COMMITTEE**

In terms of the requirement of clause 49 of the listing agreement with the Bombay Stock Exchange and Section 292A of the Companies Act, 1956 and Section 177 of the Companies Act, 2013, your company has constituted Audit committee. The composition of the committee & other details are given in the corporate governance report which forms part of this annual report.

## **CORPORATE GOVERNANCE**

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

All board members and senior management personnel have affirmed compliance with the Code of conduct for the year 2013-14. A declaration to this effect signed by the Chairman & Managing Director of your company is annexed to this annual report.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

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

## **AUDITORS**

### **Statutory 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.

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.

### **Cost Auditors**

In terms of Cost Audit Orders issued by Ministry of Corporate Affairs in 2012, M/s. DZR & Co., Cost Accountants were appointed as Cost Auditors of the Company for conducting cost audit of Apparel Division of the Company for the financial year 2013 -14, the Cost Auditor Report for the financial year 2013 – 14 has been submitted to the Board on 09<sup>th</sup> August, 2014.

The due date for filing of the Cost Audit Report with the Ministry of corporate affairs, for the financial year 2013-14 is 27th September 2014 (as per Rules, report need to be filed within 180 days from the date of closing of respective financial year). Company will ensure that the said report will be filed within due date.

## **CORPORATE SOCIAL RESPONSIBILITY**

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

## **DIRECTORS**

Ms. Apurva Jain has been appointed as the Additional Director (whole time) of the Company with effect from August 9th, 2014 and she shall hold office up to the date of the ensuing Annual General Meeting. The Company has received requisite notice in writing from a member proposing Ms. Apurva Jain for appointment as a Whole time Director.

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

Further the Board of Directors recommends the re-appointment of all the existing Independent Directors of the Company for a further period from 15<sup>th</sup> September, 2014 to 31<sup>st</sup> March, 2019 pursuant to Section 149 of the Companies Act, 2013.

#### **PARTICULARS OF EMPLOYEES**

None of the employees of the company was in receipt of remuneration in excess of limits prescribed under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended till date during the year under report.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

Disclosure under “Form A” pursuant to Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are applicable to the Apparel division of the company, hence the information pertaining to that division is provided below:

<b>A</b>	<b>Power &amp; Fuel Consumption</b>	<b>2013-14</b>	<b>2012-13</b>
<b>1.</b>	Electricity		
	a) Purchased power		
	Units	<b>269106</b>	303188
	Total amount (In Rupees)	<b>2950193</b>	2362806
	Rate per unit (In Rupees)	<b>10.96</b>	7.79
	b) Own Generation		
	<b>Through Diesel Generator</b>		
	Litres of Diesel utilized	<b>3000</b>	15670
	Total cost of Diesel utilized (In Rupees)	<b>171446</b>	759513
	Units per litre generated	<b>3.69</b>	3.69
	Cost Per unit	<b>15.49</b>	13.12
<b>B.</b>	Consumption per unit of production (i.e one shirt / one trouser).	<b>2013-14</b>	<b>2012-13</b>
	Electricity (in number of units)	<b>3.51</b>	2.82

**Note:** During the year under review FSA charges of ₹ 5,27,532, have been levied, on the apparel division of the Company.

#### **FORM B**

(Disclosure of particulars with respect to technology absorption)

#### **RESEARCH AND DEVELOPMENT (R & D)**

1. Specific areas in which R & D carried out by the company — Not applicable having regard to the nature of the industry.
2. Benefits derived as a result of the above R&D — Not applicable.
3. Future plan of action — Not applicable.
4. Expenditure on R & D: Nil

Company maintains a high level of information flow with various companies. Through visits of executives to developed countries, your company keeps abreast with the advanced technological developments and through specific program, introduces, adopts and implements them. This has resulted in higher production, accuracy and perfection in excavation of rough granite blocks, processing of random granite slabs, tiles and manufacturing of apparel.

Your company generally exports granite to countries like Algeria, Australia, Bangladesh, Belgium, Canada, China, Colombia, Croatia, Finland, Germany, Hong Kong, Ireland, Italy, Jamaica, Jordan, Libya, Netherlands, New Zealand, Norway, Poland, Qatar, Russia, Slovenia, Switzerland, UK, USA and Vietnam.

Your company is continuously exploring possibilities of exporting new markets.

During the year under review, the total standalone foreign exchange earnings was ₹ 10581.42 Lacs and expenditure of your company was ₹ 2187.82 Lacs.

#### **ACKNOWLEDGEMENTS**

Your Directors express their appreciation for the support, trust and co operation received from the banks, Government authorities, customers, suppliers, shareholders and other stakeholders during the year under review. The Board is also very thankful to the holders of Foreign Currency Convertible Bonds for their support.

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

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

**For and on behalf of the Board**

Place : Aliabad  
Date : 09<sup>th</sup> August, 2014

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

Registered Office:  
105, First Floor, Surya Towers,  
S. P. Road,  
Secunderabad- 500 003.  
CIN: L14102TG1991PLC013299  
Tel: 040-27842182 Fax: 040-2784 2121  
Email: companysecretary@pokarna.com  
Website: www.pokarna.com

## MANAGEMENT DISCUSSION AND ANALYSIS



### ECONOMIC ENVIRONMENT

The year gone by saw divergent growth globally; with the US economy further strengthening while Europe and Japan witnessing subdued performance. Though the pace of recovery in US was slower than anticipated, it nonetheless displayed growth signs with improvement in housing market, retail sales and job additions. Eurozone continued to exhibit diverging signals of recovery and growth concerns, while Japan coupled with emerging and developing economies saw expansion much below its average growth rate in the recent past. However, the synchronized actions of major economies and central bankers globally to kick start the recovery process is expected to re-align the growth of the world economy to its historical average. Early signs of recovery are already visible in the developed economies of US and Japan with the latter witnessing pick up in capital spending and firm private consumption. Further, an improvement in the world trade volumes, exports and imports of advanced and developing economies, the economic activity world over points to a better future in the coming years. IMF predicts that the major demand for emerging economies will come from the advanced economies and this will translate into growth for these countries. Overall, the growth of the global economy for the year 2014 is estimated by the IMF at 3.7%, while weak points in the advanced economies are expected to remain.

The Indian economy expanded at sub 5% GDP growth for the second successive year as presence of multiple headwinds inhibited its growth rate. Depreciating currency, stubborn inflation and rising twin deficit marred the business environment resulting in contraction in industrial activity, increasing the number of stalled projects and dampening the consumption. The combination of these factors resulted in a very challenging operating environment especially for the discretionary category and premium segments. That said, India's growth is expected to recover from 4.9% in 2013-14 to 5.4% in 2014-15 (as per Central Statistical Organization – CSO), supported by slightly stronger global growth, improving export competitiveness, narrowing of fiscal and current account deficit and implementation of recently approved investment projects. While the Indian economy is seen to be on a disinflationary path, focused efforts towards removing structural impediments, building business confidence and creating fiscal space are necessary to support investments.

### STONE INDUSTRY STRUCTURE & DEVELOPMENT AND OUTLOOK

The natural stone industry has undergone a major development and rise in production with the involvement of increasing number of countries in production. Since 1990, the natural stone production has increased by 7.3% and the volume of trade has grown by 9.2% (Source: www.cbi.eu). India is a treasure trove of stone deposits with one of the largest reserves of natural stones in the world. Karnataka, Andhra Pradesh, Tamil Nadu and Rajasthan are the top natural stone producers in India with Jharkhand, Chhattisgarh, Madhya Pradesh, Orissa, Kerala and Gujarat emerging as new producers. In recent years, global consumption has benefited from a dynamic demand in the US market (>12 per cent) and other dynamic zones such as the Far East. India is the third largest exporter of natural stones (volumes) globally with exports to over 90 countries. The demand for value-added products has increased significantly in the USA and many European countries, driving the growth of exports. In 2012-13, India exported approximately ₹ 93 bn worth (provisional data – AIGSA) granite and natural stone products; processing over 27% of the stone produced in the world.

### EFFECT OF CHINA ON THE INDIAN STONE INDUSTRY

China started its stone business just a decade ago. It has granite quarries, but imports a huge quantity of granite blocks for value addition. Its imports of rough dimensional blocks totaled USD 2,300 million and its exports of value-added products totaled USD 4,134 million. India has a ten-decade advantage over China but its exports still totals USD 159 million; because of restricted import policy on rough dimensional blocks. The gap is widening and a level playing field has to be created for the Indian stone industry to compete with China on the international market.

There are lacunae in the Exim policy which has given an advantage to China. A large quantity of Indian granite blocks is being exported to China. After value addition, China exports the finished goods to different parts of the world, which creates unwanted competition for the Indian industry. Chinese finished products (slabs and tiles), which are being imported to India under the Open General Scheme (OGL) scheme with value cap, are posing tough competition for the Indian domestic processing industry.

India has a negligible percentage share (value) in world exports of processed stone. This is a result of various government restrictions. Declaration of eco-sensitive zones around national parks and wildlife sanctuaries, declaration of revenue land as reserve forest, non-renewals of leases, delay in granting fresh leases and a restrictive export import policy have contributed to the shortage of raw material. Consequently, the country utilizes a dismal 3% of its total resources. Policy changes remain the need of the hour to face the demand with respect to export and import.

All India Granite and Stone Association (presently known as Federation of Indian Granite and Stone Industry) has put forward the following recommendations to the government, which are expected to improve the performance of the industry:

- Create a “mineral zone” where the natural resources are available. In this “mineral zone,” the mining activity should be allowed freely without the interference of departments like Revenue, Forest, Ecology, Wildlife, Environment, etc. (single window system), so that the entrepreneur can work peacefully and raw materials are available to the processing industry. Adoption of this recommendation will rapidly enhance growth.
- Granite has to be declared as major mineral instead of minor mineral.
- The import of granite and marble blocks should be brought under the OGL so that sufficient quantity of the raw material is available to the industry.
- Import of finished products should be restricted by fixing the floor price to protect domestic units.
- Import should not be allowed by those who have invested in the mining sector abroad.

If all the above recommendations are adopted by the central and state governments, India’s value-added products will soon reach the number one position in the world.

## **OPPORTUNITIES**

There is a boom in construction activity in India and across the globe. U.S. expenditure in the construction industry grew by almost 5% (18% housing alone) and amounted to USD 896 billion in 2013 with a further expected growth of 4.8% in 2014 (Source: Freedonia Group Study, 2014). Natural stone has found a place in various applications, such as construction, interior decoration, monument and garden items. In view of this, the processing industry has started operation throughout the length and breadth of the country.

The advent of new technology, robust supply and the growing appreciation of virtually maintenance-free products have resulted in a renaissance in the use of granite, marble, limestone, travertine, Engineered Quartz and other members of the stone family in residential construction. From kitchens and baths to foyers and fireplaces, the surface industry has been witnessing unprecedented growth.

The surface industry encompasses three major segments namely – Flooring & Carpet, Countertop and Wall. The industry serves both, commercial and residential consumers and is closely tied to the global building market, both in the construction of new properties and renovation of existing properties.

## **FLOORING & CARPETS SEGMENT**

The world demand for flooring is projected to rise 5% annually through 2016 to 18.6 bn square meters. The improvement can be viewed as a bounce back from the 2008 global economic crisis and the increase in demand in developed areas in conjunction with the rebound of the global construction market. The industry’s global revenues are expected to grow to more than USD 270 bn in 2016 in consumer prices led primarily by increase in applications in homes with growing per capita income and in showrooms which supports rising motor vehicle production (Source: Freedonia). Market advancement is expected to be driven by acceleration in world residential building construction activity, supported by an upturn in spending in industrialized countries such as the US and by healthy sales environments in a number of emerging economies. Renewed strength in motor vehicle industry production after a period of contraction is also expected to contribute to overall flooring and carpet market growth. The flooring industry is comprised of materials such as ceramic, laminate, wood, carpeting and natural stones. The popularity of materials changes geographically, but it is envisaged that non-resilient materials will see the greatest demands in the coming years.

Flooring and carpet demand can be bifurcated into three markets: residential buildings, non-residential buildings, transportation equipment and other. Of the three, the residential building market is by far the largest; accounting for more than half of all product sales in 2009, while the share of non-residential building market is also huge. Floor covering used in transportation equipment and other non-building applications (such as industrial equipment operator compartments and utility control rooms) accounts for only a modest share of the world demand total. However, this market is expected to record the fastest gains through 2014, primarily because of a robust increase in automotive industry output.

Region	2014 (Est)
North America	19%
Western Europe	16%
Asia / Pacific	47%
Other Regions	17%
Total (Bn Sq Mtrs)	<b>15,300</b>

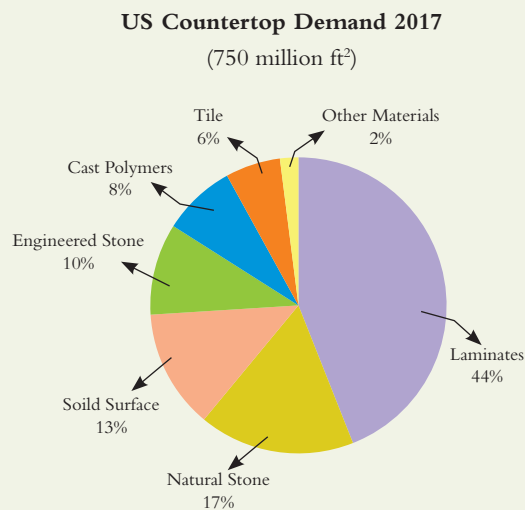
Source: Freedonia Group Inc

In a reversal of historical trends, North America is expected to register the fastest sales gains of any region through 2014, largely because of a strong recovery in residential construction expenditures in the US, coupled with double-digit annual increases in regional motor vehicle output also aiding in bolstering floor covering demand.

Developing parts of Asia are also expected to post the next fastest advances, followed by the Africa/Mideast region, Central and South America and Eastern Europe. China on its own is anticipated to account for 38% of all additional sales through 2014, thereby strengthening its position as the largest flooring and carpet market in the world in area terms. Growth is also expected to remain firm in lower-volume markets like Ukraine, India, Vietnam, Turkey and Thailand. Although increases are generally not anticipated to be as strong as in North America or developing parts of the world, floor covering demand in Japan and Western Europe will climb as well. Growth in these areas will be led by renewed strength in new housing construction spending and transportation equipment production following a period of decline.

### COUNTERTOP SEGMENT

The size of the global countertop industry is estimated to be at USD 74 bn (2013, Freedonia Inc.) in sales to end consumers based on average installed price. Demand for countertops is principally dominated by the renovation and remodeling of existing properties and the construction of new properties. The countertop market comprises of various types and styles of materials. Raw material options in the countertop industry range from tiling, cast-in-place concrete and stainless steel to natural options like Granite, Marble and Wood, to Laminate and Paper Composite to innovations in Solid Surfaces, Engineered Quartz (or Quartz) and Terrazzo. Until recently, natural stone materials were used primarily in luxury homes. However, a drop in the average price for granite (partially due to an increase in low-cost imports) has extended the availability of this material to a larger portion of the mass market.



(<http://www.stoneupdate.com/news-info/latest-stuff/592-us-natural-stone-countertop-demand-growing>)

Source: Freedonia

Going forward, aggregate countertop demand will be spurred by a recovery in the US construction market, as nearly two-thirds of additional countertop demand between 2012 and 2017 will be in new construction applications. With new single-family housing completions projected to register double-digit gains through 2017, countertop demand in new housing will see the most rapid advances (Source: Freedonia Group 2013).

A rebound in new non-residential construction spending will further accentuate gains. Growth will also be buttressed by the remodeling market of the country's large stock of older homes, with gains benefiting from an improvement in residential repair and remodeling expenditures and the projected rebound in sales of existing single-family homes from the low 2012 base. Advances will also stem from improved financing opportunities, boosting homeowners who may have delayed countertop remodeling during the 2007-2012 period.

Through 2017, demand for countertops in the smaller non-residential market will find more rapid growth in new applications, primarily due to accelerating non-residential building construction expenditures following the weakness of the 2007-2012 periods. Approximately 70% of demand in the non-residential market is from the institutional, and office and commercial segments. Thus, countertop sales will be promoted by the construction and renovation of locations such as offices, retail shops, hotels, restaurants, health care facilities, and schools. In the non-building market, countertop demand will be boosted by rebounding shipments of recreational boats and recreational vehicles.

## VARIETY OF COUNTERTOPS

### Granite

One of the most traditional materials used as countertops. India accounts for over 20% of the world resources in granite. Granite reserves in India are estimated at over 1,690 million m<sup>3</sup>. In the world market, there are nearly 300 varieties of granite of which India supplies about 200 varieties. Out of these, prime varieties represent a wide spectrum of colour, texture and structure. These prime varieties have substantial resource base. Commercial names of granite are derived from area, colour, patterns, etc.

Granite is hard, durable and resistant to damage from heat, stains, and scratches. It is primarily used in home building and remodeling, especially for residential countertops. As per the National Association of Home Builders' Remodeling Market Index (RMI), granite countertops are the most popular single home remodeling feature, by a wide margin. Good looks and low maintenance, plus a trend towards larger kitchens and more bathrooms in residential construction, have made natural stone one of the top 10 most popular materials in home design. Furthermore, where selection of natural stone for a project was once limited to what was locally available; today's stone marketplace is basically worldwide.

### Home Improvement / Remodeling

	2011	2012	2013	2014	2015	2016	2017
Billions \$	269.4	273.9	284.8	301.7	319.4	332.3	343.9
% Change	3.8	4.9	4	5.9	5.9	4	3.5

**Source:** IHS Global Insight / HIRI Home improvement Products Market Forecast

One of the reasons for the growing interest in natural stone is the new supply. Currently there is a vast inventory of raw material being quarried around the world—in the United States, Canada, South America, Italy, China, India, Africa and more. In addition, each slab is unique, and comes in a range of almost 3,000 colors.

### Pokarna Perspectives

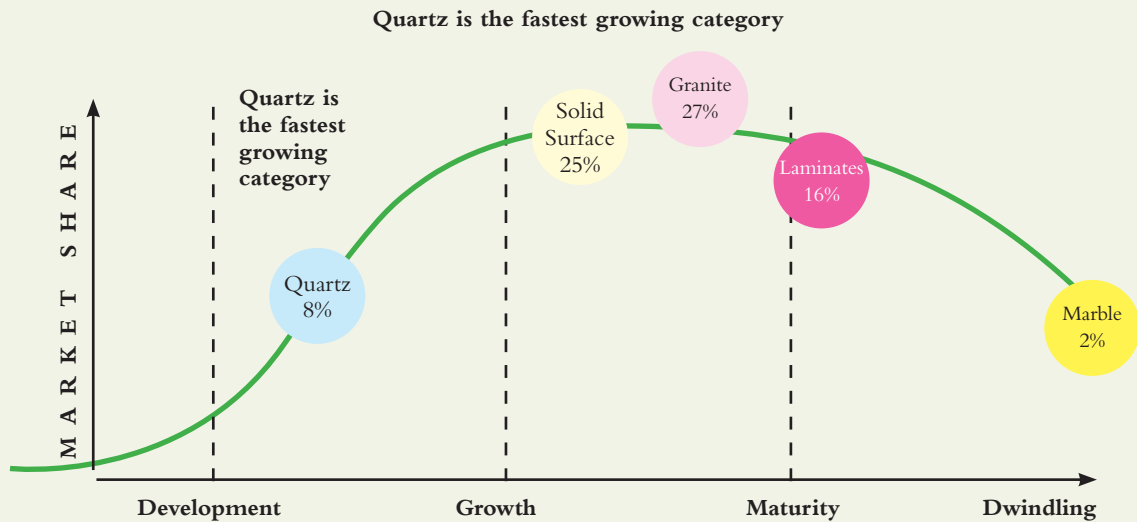
Pokarna Limited processes its granite at two state-of-the-art manufacturing facilities where the magic with granite begins with raw material from own quarries as well as carefully identified independent ones. Your Company's own quarries produce some of the most sought after colors like Black Galaxy, Coffee Brown, Flash Blue, Sapphire Blue, Silver Pearl and Vizag Blue. Your Company processes the finest raw material, using the best consumables from around the world. Your Company's color palette includes over 75 varieties of granite sourced within India in addition to Saudi Arabia and Iran. The product range includes a wide array of random slabs, tiles and cut-to-size which is supplied to 27 countries across the globe. Pokarna has, over the years, developed a strong dealership network across its regions of presence and is now widening reach in Europe.

In the Granite Division, during the year 2013-14 your Company has achieved revenues of ₹ 1,549 million and PBIT of ₹ 295 million registering a growth of 10% and 24% respectively. Domestic Export mix stood at ₹ 482 million & ₹ 1067 million respectively with major export contribution coming from USA i.e., ₹ 494 million, contributing 46% to export revenues. During the year 2013-14 your Company executed various projects including supplies to **Reliance ADAG Head Quarters - Mumbai, Rajiv Gandhi International Airport - Hyderabad, IREO - Gurgaon, Prestige - Hyderabad, Bengaluru, Chennai, One Market - USA, Barwa Financial District - Qatar, U.S. Consulate - Indonesia.**

Overall, growing demand from domestic and other developing markets are expected to provide good opportunities for the granite industry and your Company is well positioned to capitalize on this opportunities.

### Engineered Quartz

Quartz is one of the hardest and most abundant natural minerals available in the world and hence possesses superior abrasion properties and a very high chemical resistance. Engineered Quartz is strong, durable, designer-friendly, versatile and low maintenance, making it an ideal material for the kitchen, with other relevant applications in vanities, flooring, stairs and walls. The product is composed of approximately 93% Quartz particles and 7% binding resins and additives.



Given its initial malleable form, Quartz permits innovation and flexibility in the design, styles, thicknesses, textures and production process, as well as ease of fabrication and installation. Further, as pure Quartz is naturally colorless, this allows for a wide range of colors, based on pigments and dyes. The new colors and textures being introduced on a continual basis, Quartz surfacing has become a popular option for many design styles. Hence, Quartz has been rapidly gaining acceptance and traction among designers.

Engineered Quartz surfaces are known for their durability, strength, stain and heat resistance when compared to granite resulting in a near maintenance free product, as opposed to granite, which can more easily be stained or scratched and needs to be resealed periodically.

While, Quartz was viewed as countertop primarily to be used in residential market, there has been a shift in perception and is now drawing interest from designers working on commercial projects — mainly for flooring and bathroom area applications. Specifically, global Quartz countertop sales (on an installed basis) have grown at a 16.4% CAGR from 1999-2010 or approximately 4x the overall industry's 4.4% CAGR, which in turn has resulted in its share increasing from 2% in 1999 to 7% in 2010 (Source: JP Morgan Report May 2012). The surge in the demand for Quartz within the global countertop industry over the past decade has been driven by the material's superior physical attributes relative to other countertop materials, its attractive relative value, as well as broad array of colors and ease of fabrication. Engineered Stone is the industry's fastest growing market segment with a growth rate of 13% compared to 5% for granite, according to 2011 Freedonia Group Report. Despite the meteoric rise, Quartz's share of the global countertop market remains relatively small, at 7% of sales and 4% of volume and hence remains near the infancy stage of a long term penetration

opportunity. In addition, its share remains fairly modest in the largest countertop markets by geographic region as well. Quartz has achieved a dominant share in terms of volumes in the Israeli countertop market (82%) and Australia (32%) market. In contrast the volume share in U.S. and Canadian market remains low at 5% and 9% respectively. However, in value terms, the North American markets contribute nearly 24% to the global countertop markets with Africa/Middle East representing 12% while Australia accounting for only 2% (Source: JP Morgan Report May 2012).

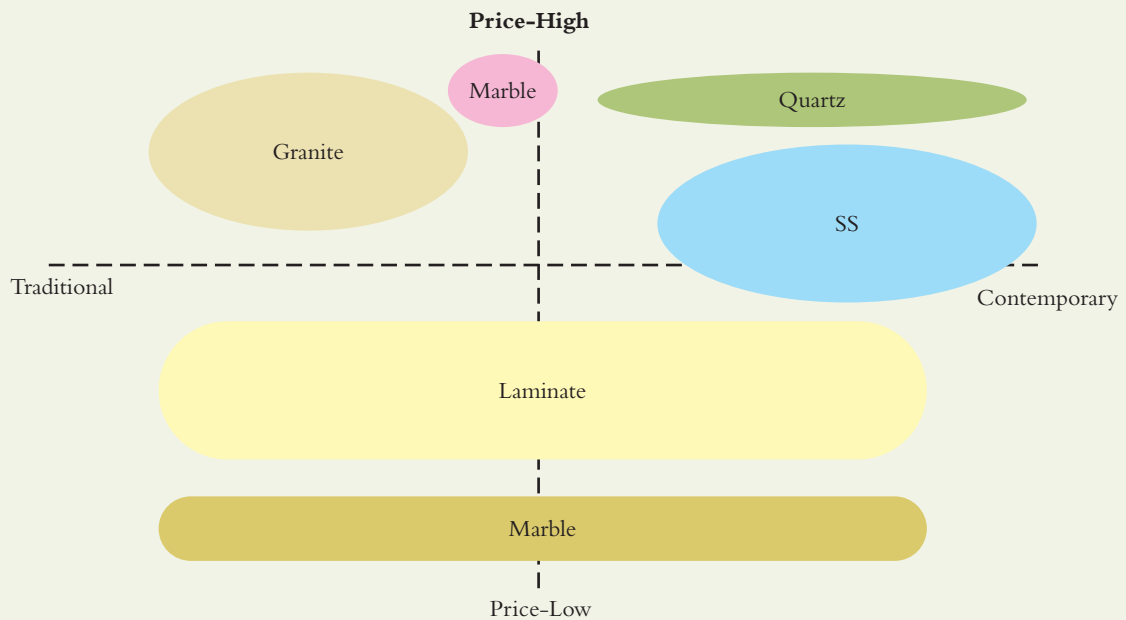
Going ahead, with home prices rebounding in the US coupled with improving employment, the trend in Quartz is expected to remain steady. While the general economy is still sluggish, specific industries such as the housing market, both residential and non-residential builder markets, home improvement and remodeling and cabinetry that affect the countertop market, the numbers look encouraging. Further, the revival in the US housing market should support a return to higher priced building products over the next several years, which should benefit Quartz as this material is priced similarly to granite, in contrast to lower priced countertop materials such as laminates and some solid surfaces.

**PRICE COMPARISON**

**Installed Cost (\$ per sq.ft.)**

Material	Low	High
Quartz	\$40	\$100
Granite	\$40	\$100
Solid Surfaces	\$35	\$100
Laminate	\$10	\$40
Tile	\$10	\$30
Marble	\$50	\$150

**Source:** Marble Institute of America, Consumer Reports, Caesarstone and J.P. Morgan estimates



**Pokarna Perspectives**

Pokarna manufactures “Natural Quartz Surfaces” also known as “Engineered Stone” or “Compound Stone” or “Engineered Quartz”, through M/s. Pokarna Engineered Stone Limited (PESL), a wholly owned subsidiary of your Company. PESL uses Breton technology, the only Company to use this technology in India, to manufacture Natural Quartz Surfaces. Breton was the original manufacturer of new slab producing machines and still holds multiple patents on the process. This process presses the slabs using ‘vibrocompression vacuum process’ for production of larger sized blocks and slabs. Your Company uses the brand ‘Quantra’ to market its products to 18 countries globally.

PESL has achieved revenues of ₹ **615 million** and PBIT of ₹ **98 million**. Domestic Export mix stood at ₹ **37 million** & ₹ **578 million** respectively with major export contribution from USA i.e., ₹**440 million** contributing 76% to export revenues. During the year 2013 -14 PESL supplied quartz to various projects including **Mumbai International Airport (T2), Continental Hospitals - Hyderabad, Dew Flower, Sobha Developers - Bengaluru, Arlington Downs – USA, Marriott Irvine - USA Amli Ballard - USA, Amway Specialty Suites – USA.**

Overall, the outlook for this segment is promising. The housing market in USA continues its gradual return to normal, with far fewer delinquencies, foreclosure and under-water mortgages than a year ago. The share of all cash and investor sales are also moderating while traditional mortgaged, market rate home sales to owner-occupants have picked up momentum. But the weakness in home construction, sales and prices in early 2014 suggest that the recovery has more ground to gain. Over the short term, housing market is expected to benefit most from a continued economic recovery that increases employment and raises income. Over the longer run, future decisions about the government's role in backstopping mortgage markets will have significant implications and the cost and availability of credit. This should enable faster growth of the Engineered Quartz segment. Pokarna with its state-of-the-art-manufacturing facilities will be at the forefront to take advantage of the opportunities that are presented going forward

### **Apparel**

Indian textile industry is one of the leading sectors of the Indian economy and contributes significantly to the country's industrial output (14%). It employs 35 million people in direct employment and another 20 million in indirect employment and earns much needed foreign currency with 17% of India's foreign exports coming textiles and garments.

#### **Opportunities & Challenges:**

- Textile industry is one of the largest employers in India and has strong linkages with the rural economy. The growing young middle class population is a source of great potential and provides immense opportunities to spur growth in the industry going forward
- The major challenge that the apparel industry is facing is rising production costs, arising out of rising wages, power and interest costs

During the year, Apparel Division of the Company achieved revenues of ₹**143 million** and PBIT of ₹ **(118) million**. Entire revenue during the year was achieved from the domestic market.

#### **RISKS & CONCERNS**

Your Company operates in a business environment characterized by increasing globalization and intensifying competition. As a result, risk is integral to its business and is managed by your Company by regular monitoring and corrective actions. Investors are requested to exercise their own judgment in assessing various risks associated with the industry and your Company. The management cautions that the risks outlined below are not exhaustive and are for information purposes only:

- The non-availability of best quality granite blocks for the processing continues to be one of the major problems of granite industry and it is expected to remain the same in future too.
- A significant part of our revenue is earned from our customers in United States of America. Any change in consumption pattern in these markets affected by political or economic events specific to them could potentially affect our result.
- Our commercial transactions subject your Company to credit risk principally consisting of trade receivables.
- There are risks which are inherent to the apparel industry, mainly, not being able to identify the consumer preferences, forecasting the demand, timely delivery to the market etc. Your Company also faces the challenging supply chain related issues in the Indian supply chain. The apparels business is seasonal in nature & hence any adverse event affecting the overall economy affects the sales of your Company.
- The bottom-line of Apparel division of Your Company continues to be severely affected due to lower capacity utilisation at manufacturing (contract exports) and lower consumer footfalls and higher discounting at the apparel retailing (STANZA brand) part of the business.

- Fluctuations in currency exchange rates may impact your Company's financial condition and results of operations and may affect the comparability of results between your Company's financial periods.
- An important element of your subsidiary company's strategy is to expand business in markets, such as the United States of America, Canada, European Union and India which will require a substantial marketing effort to build Quantra brand awareness and develop quartz market, and failure to do so would have a material adverse effect on it.
- Your Company and its subsidiary have significant indebtedness and a failure to generate significant cash flow could render it unable to service its obligations and may place it at a competitive disadvantage and limit its ability to pursue business.

#### SEGMENT WISE PERFORMANCE

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

(₹ In Lacs)

Sl No	Particulars	For the year ended	
		31.03.2014	31.03.2013
<b>1</b>	<b>Segment Revenue (net)(including inter segment sales)</b>		
a)	Granites	15490	14072
b)	Apparel	1432	1530
c)	<b>Total</b>	<b>16922</b>	<b>15602</b>
d)	<b>Inter Segment Revenue</b>	-	-
e)	<b>Net Sales/Income from Operations</b>	<b>16922</b>	<b>15602</b>
<b>2</b>	<b>Segment Results Profit (+) / Loss (-) before tax and interest from each segment.</b>		
a)	Granites	2946	2385
b)	Apparel	(1184)	(861)
c)	<b>Total</b>	<b>1762</b>	<b>1524</b>
d)	Less : Interest	1038	1010
e)	<b>Total Segments Profit Before Tax</b>	<b>724</b>	<b>514</b>
<b>3</b>	<b>Capital Employed (Segment Assets - Segment Liabilities)</b>		
a)	Granites	8198	8116
b)	Apparel	1218	2097
c)	Unallocable assets less liabilities	6792	3246
d)	<b>Total</b>	<b>16208</b>	<b>13459</b>

#### FINANCIAL PERFORMANCE OF THE COMPANY / OPERATIONS

- Net sales increased by 8.46% from ₹ 15602 Lacs to ₹ 16922 lacs.
- Net Profits increased by 33.70% from ₹ 365 Lacs to ₹ 488 Lacs.
- Basic and diluted earnings per share stood at ₹ 7.87.

#### INTERNAL CONTROL SYSTEMS AND ADEQUACY

The Company has an adequate system of internal control implemented by the management towards achieving efficiency in operations, optimum utilization of resources and effective monitoring thereof and compliance with all applicable laws.

#### HUMAN RESOURCES

Your Company recognizes the value addition of its employees and their contribution to the growth and development of the Company. In turn, the Company is committed to train and develop its people and motivate them. Industrial relations have been cordial and mutually beneficial.

## **CAUTIONARY STATEMENT**

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

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

## CORPORATE GOVERNANCE REPORT

### I. COMPANY'S PHILOSOPHY

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

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

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

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

### II. BOARD OF DIRECTORS

#### Composition of Board

The names of the directors, their directorship and Board Committee(s) membership as on 31st March, 2014 together with their attendance for the year under report are given below:

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

[\*] Chairmanship / membership in Audit and Shareholders grievance committees of Public Limited Companies.

[\*\*] Excluding private, foreign and Section 25 companies.

#### Board Meetings

The Board Meetings of the Company are governed by a structured agenda. The Board meetings are generally held at the Registered of the Company at Secunderabad. The Company Secretary in consultation with Chairman, and the Managing Director finalises the agenda of the Board meetings. All major agenda items, backed up by relevant and comprehensive background information, are sent well in advance of the date of the Board meeting(s) to enable the Board members to take informed decision. Any Board Member may, in consultation with the Chairman, bring up any matter at the meeting for consideration by the Board. Senior management personnel are invited from time to time to the Board meetings to make requisite presentations on relevant issues or provide necessary insights into the operations / working of the Company and corporate strategies.

Four meetings of the Board of directors were held during the year on 22nd May, 2013, 14th August, 2013, 13th November, 2013 and 10th February, 2014.

Details of directors holding the shares of the Company (as on 31st March, 2014):

<b>Director</b>	<b>Number of shares held</b>
Mr. Gautam Chand Jain	500000
Mr. Prakash Chand Jain	500000
Mr. Rahul Jain	100000

#### **Directors' compensation and disclosures**

Sitting fees were paid to the Non-Executive Directors for attending each meeting of the Board. Other than that, no other component of remuneration was paid to Non-Executive Directors. A detail on the remuneration paid to Executive and Non-executive Directors during the Financial Year ended 31<sup>st</sup> March, 2014 is disclosed under the head “**Remuneration policy**” in this report (Corporate Governance).

#### **Brief profile of the Directors being appointed / re-appointed**

It is proposed to re-appoint all the existing Independent Directors of the company for a further period from **15<sup>th</sup> September, 2019 to 31<sup>st</sup> March, 2019**. Further Ms. Apurva Jain, who has been appointed as Additional Director (Whole-time) of the company in the Board meeting held on **9<sup>th</sup> August, 2014** is proposed to be regularized in the ensuing annual general meeting, lastly Mr. Rahul Jain, who is liable to retire by rotation offered him selves for re-appointment. Pursuant to clause 49 of the listing agreement, a brief on the profiles of all the Directors, who are proposed to be appointed / re-appointed, is provided in the statement provided pursuant to Section 102(1) of the Companies, Act, 2013, appended to the Notice of the Meeting.

#### **Code of Conduct**

The Board has approved a code of conduct for Board Members and Senior Management Personnel of the company. The code of conduct has been posted on the website of the company. All Directors and senior management personnel have affirmed compliance with the code of conduct for the year ended 31<sup>st</sup> March, 2014. A declaration to the effect signed by the Chairman & Managing Director is given below:

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#### **DECLARATION**

As provided under Clause 49 of the Listing agreement with the Bombay Stock Exchange, the Board Members and the Senior Management Personnel have confirmed compliance with the code of conduct for year ended 31st March, 2014.

Place: Aliabad

Date: 9th August 2014

**Gautam Chand Jain**

Chairman & Managing Director

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### **III. AUDIT COMMITTEE**

#### **Brief description of the terms of reference**

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

#### **Composition**

Mr. Meka Yugandhar – Chairman

Mr. Thati Venkataswamy Chowdary – Member

Mr. Vinayak Rao Juvvadi – Member

Mr. Mahender Chand – Member

The Chief Financial Officer, Statutory and Internal Auditors are invitees to the Committee. They regularly attend the

meetings of the Committee. Senior executives of the Company are also invited to attend the meetings. The Company Secretary acts as the Secretary to the Committee.

#### **Meetings and attendance**

During the year under review, four Audit Committee meetings were held on 22nd May, 2013, 14th August, 2013, 13th November, 2013 and 10th February, 2014:

<b>Member</b>	<b>Attendance during the year</b>
Mr. Meka Yugandhar	4
Mr. Thati Venkataswamy Chowdary	4
Mr. Vinayak Rao Juvvadi	4
Mr. Mahender Chand	4

#### **IV. NOMINATION & REMUNERATION COMMITTEE**

The Remuneration Committee of the company constituted under Companies, Act, 1956 has been reconstituted as Nomination & Remuneration Committee of the company, in compliance with 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**

Mr. Thati Venkataswamy Chowdary - Chairman

Mr. Meka Yugandhar - Member,

Mr. Mahender Chand - Member.

Mr. Prakash Chand Jain - Member

#### **Meeting and attendance**

During the Financial Year under report, the Committee met on 22<sup>nd</sup> May, 2013:

<b>Member</b>	<b>Attendance during the year</b>
Mr. Thati Venkataswamy Chowdary	1
Mr. Meka Yugandhar	1
Mr. Mahender Chand	1
Mr. Prakash Chand Jain	1

#### **Remuneration Policy**

The Committee recommends to the Board, compensation of the Chairman & Managing Director and Executive Director of the company keeping in view company's financial status, past performance & remuneration and future growth potential and the industry standards.

The remuneration of the Non-Executive Directors of the company is decided by the Board of directors. The Non-Executive Directors are paid remuneration by way of commission and sitting fees. However, no commission was paid to the Non Executive Directors of the company for the Financial Year under report. Non Executive Directors do not claim any fees for the Committee meetings.

Details of remuneration paid to the Directors during the Financial Year ended 31st March, 2014 are mentioned hereunder

(₹ in Lacs)

Name	Designation	Salary	Perquisites & incentives	Sitting fees	Total
Mr. Gautam Chand Jain	Chairman & Managing Director	36.00	4.34	-	40.34
Mr. Rahul Jain	Executive Director	18.00	10.12	-	28.12
Mr. Prakash Chand Jain	Non - Executive and non Independent Director	-	-	0.30	0.30
Mr. Meka Yugandhar	Independent Director	-	-	0.40	0.40
Mr. Thati Venkataswamy Chowdary	Independent Director	-	-	0.40	0.40
Mr. Vinayaka Rao Juvvadi	Independent Director	-	-	0.40	0.40
Mr. Mahender Chand	Independent Director	-	-	0.40	0.40
Mr. Dhanji Lakhamsi Sawla	Independent Director	-	-	0.30	0.30
<b>Total</b>		<b>54.00</b>	<b>14.46</b>	<b>2.20</b>	<b>70.66</b>
Previous year		<b>24.00</b>	<b>11.99</b>	<b>3.20</b>	<b>39.19</b>

Salary and perquisites include all elements of remuneration i.e. salary, allowances & perquisites. No bonus, pension is paid to any of the Directors. Contribution to gratuity fund has been made on a group basis and separate figures applicable to an individual employee are not available and therefore, contribution to gratuity fund has not been considered in the above computation.

The company does not have any stock option plan or performance linked incentive for the Executive Director.

#### V. STAKEHOLDER RELATIONSHIP COMMITTEE

##### Brief description of the terms of reference

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

Shareholder's Committee of the company constituted under Companies, Act, 1956 has been reconstituted as Stakeholder Relationship Committee of the company in compliance with Section 178(5) of the Companies Act, 2013.

##### Composition

Mr. Thati Venkataswamy Chowdary - Chairman

Mr. Meka Yugandhar - Member

Mr. Rahul Jain - Member

During the Financial Year under report, committee met once, i.e on 13<sup>th</sup> November, 2013.

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

##### Compliance Officer

Name	Vinay Paruchuru
Address	105, First Floor, Surya Towers, S. P. Road, Secunderabad, Telangana State - 500003
Phone	040 -2789 7722 / 2789 6361
Fax	040-2784 2121
E-mail	companysecretary@pokarna.com

### Status of Investors complaints

During the year no complaint was received from any investor and there was no complaint outstanding as on 31<sup>st</sup> March, 2014.

### VI. GENERAL BODY MEETINGS

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

Financial Year	Date	No. of Special Resolutions passed in the AGM
2010 - 2011	12 <sup>th</sup> September, 2011	Two
2011 - 2012	15 <sup>th</sup> September, 2012	NIL
2012 - 2013	17 <sup>th</sup> September, 2013	NIL

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

### VII. DISCLOSURES

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

### VIII. MEANS OF COMMUNICATION

The quarterly, annual results and other statutory reports of the company are communicated by disseminating the same to Bombay Stock Exchange. The Company also publishes its financial results, normally in Business Standard (Mumbai and Hyderabad editions) and Prajasakthi (Hyderabad edition). In terms of clause 54 of the listing agreement the company maintains functional website, namely, www.pokarna.com, containing basic information about the company like details of the business, financial information, shareholding pattern, compliance with Corporate Governance etc. and the same are kept updated at any point in time.

### IX. GENERAL SHAREHOLDER INFORMATION

Unaudited/ audited financial results for the quarter ending	Date
June 30, 2014	09 <sup>th</sup> August 2014
September 30, 2014	14 <sup>th</sup> November, 2014
December 31, 2014	14 <sup>th</sup> February, 2015
March 31, 2015	30 <sup>th</sup> May, 2015 (Audited results)

Calendar for financial results for 2014 – 2015 (tentative & subject to change)

#### Annual General Meeting – 2014

**Date:** 15<sup>th</sup> September 2014, Monday

**Time:** 10.30 A.M.

**Venue:** Hotel Vivanta, by Taj, opp. Hyderabad Public School, Begumpet, Hyderabad, Telangana State, India.

**Dates of Book Closure:** 06.09.2014 to 15.09.2014 (Both days inclusive)

**Dividend payment date:** Before 14<sup>th</sup> October, 2014

### Listing on Stock Exchange

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

### Risk Management

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

### Stock Market Data

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

2013 – 2014	BSE		SENSEX	
	High	Low	High	Low
April	78.75	71.65	19622.68	18144.22
May	82.00	75.00	20443.62	19451.26
June	92.40	78.00	19860.19	18467.16
July	83.00	76.20	20351.06	19126.82
August	90.00	77.00	19569.20	17448.71
September	140.00	87.40	20739.69	18166.17
October	152.00	114.05	21205.44	19264.72
November	113.00	87.40	21321.53	20137.67
December	109.00	89.55	21483.74	20568.70
January	125.50	100.00	21409.66	20343.78
February	115.50	101.30	21140.51	19963.12
March	132.95	98.60	22467.21	20920.98

### Share Transfer System

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

### Shareholding pattern as on 31<sup>st</sup> March, 2014

S. No.	Category of Shareholder	No of Shareholders	Total number of Shares
(A)	<b>PROMOTER AND PROMOTER GROUP</b>		
(1)	<b>INDIAN</b>		
(a)	Individual /HUF	20	3513777
(b)	Central Government/State Government(s)	-	-
(c)	Bodies Corporate	-	-
(d)	Financial Institutions / Banks	-	-
(e)	Others	-	-
	Sub-Total A(1) :	20	3513777
(2)	<b>FOREIGN</b>		
(a)	Individuals (NRIs/Foreign Individuals)	-	-
(b)	Bodies Corporate	-	-
(c)	Institutions	-	-
(d)	Others	-	-
	Sub-Total A(2) :	-	-
	Total A=A(1)+A(2)	20	3513777

S. No.	Category of Shareholder	No of Shareholders	Total number of Shares
(B)	<b>PUBLIC SHAREHOLDING</b>		
(1)	<b>INSTITUTIONS</b>		
(a)	Mutual Funds /UTI	-	-
(b)	Financial Institutions /Banks	-	-
(c)	Central Government / State Government(s)	-	-
(d)	Venture Capital Funds	-	-
(e)	Insurance Companies	-	-
(f)	Foreign Institutional Investors	-	-
(g)	Foreign Venture Capital Investors	-	-
(h)	Others	-	-
	Sub-Total B(1) :	-	-
(2)	<b>NON-INSTITUTIONS</b>		
(a)	Bodies Corporate	59	392284
(b)	Individuals		
	(i) Individuals holding nominal share capital upto ₹1 lakh	1600	722500
	(ii) Individuals holding nominal share capital in excess of ₹1 lakh	25	1556439
(c)	Others		
	Non resident Indians	12	7349
	Clearing members	7	8451
	Sub-Total B(2)	1703	2687023
	Total B=B(1)+B(2)	1703	2687023
	Total (A+B)	1723	6200800
(C)	Shares held by custodians, against which		
	Depository Receipts have been issued	-	-
	<b>GRAND TOTAL (A+B+C) :</b>	<b>1723</b>	<b>6200800</b>

#### Distribution of Shareholding as on 31<sup>st</sup> March, 2014

Sl. No	Category	No. of Holders	% of total number of shareholders	Number of shares	% of total number of shares
1	000001 - 005000	1390	80.44%	158402	2.55%
2	005001 - 010000	100	5.79%	82836	1.34%
3	010001 - 020000	96	5.56%	157158	2.53%
4	020001 - 030000	21	1.27%	56355	0.91%
5	030001 - 040000	26	1.50%	97644	1.57%
6	040001 - 050000	11	0.64%	51250	0.83%
7	050001 - 100000	24	1.39%	171515	2.77%
8	100001 & Above	55	3.41%	5425640	87.50%
	<b>Total</b>	<b>1723</b>	<b>100%</b>	<b>6200800</b>	<b>100%</b>

#### Dematerialization of shares and Liquidity

The shares of the company are compulsorily traded in dematerialized form and are available for dematerialization under both the Depository Systems in India - NSDL and CDSL. As on **31<sup>st</sup> March, 2014** a total of **6045054** equity shares of the Company, which constitutes 97.50% of the share capital of the company, are dematerialized.

#### Reconciliation of Share Capital Audit Report

As stipulated by SEBI, a qualified Practicing Company Secretary carried out Reconciliation of share capital audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the

report thereon is submitted to the Stock exchange where the shares of the Company are listed. The audit confirms that the total Listed and Paid-up Capital is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL and CDSL) and total number of shares in physical form.

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

<p><b>For share related services / transfer of physical shares / change of address of members:</b>  <b>Registrar &amp; Share Transfer Agents</b>  <b>Mr. V K Jayaraman /Mrs. Varalakshmi</b>  Karvy Computershare Private Limited  Plot No.17 to 24, Vittalrao Nagar,  Madhapur, Hyderabad - 500 081,  Telangana State  Ph: +91 40 2342 0815-824 (10 lines)  Fax: +91 40 2342 0814  E-mail: einward.ris@karvy.com  Website: www.karvy.com:</p>	<p><b>For queries relating to dividends, Annual Reports etc.</b>  Company Secretary &amp; Compliance officer  <b>Mr. Vinay Paruchuru</b>  Pokarna Limited,  105, 1st Floor, Surya Towers, Sardar Patel Road,  Secunderabad – 500 003, Telangana State  Ph: +91 40 2789 6361, 27840 4101  Fax: +91 40 2784 2121  Email-id for investor grievances:  companysecretary@pokarna.com,  igr@pokarna.com  Website: www.pokarna.com</p>
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## **X. NON MANDATORY REQUIREMENTS**

The company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement relating to corporate governance. The status of compliance with non-mandatory requirements is as under:

### **Chairman**

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

### **Shareholders Rights**

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

### **Audit Qualification**

The Company continues to adopt best practices to endeavor the regime of unqualified financial statements. There is no qualification from the statutory auditors of the company for the financial year 2013-14.

### **Training of Board Members**

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

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

.....●.....

To  
The Members'  
Pokarna Limited.

We have examined the compliance of conditions of corporate governance by Pokarna Limited ("the Company"), for the year ended on 31st March, 2014 as stipulated in clause 49 of the Listing Agreement entered by the Company with Bombay Stock Exchange Limited.

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

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

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

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

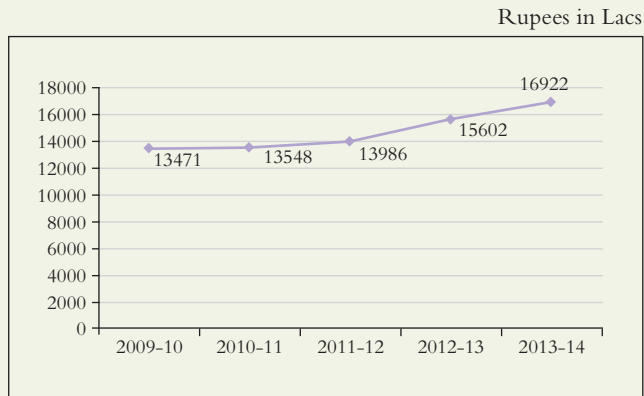
For **S. Daga & Co.**  
Chartered Accountants  
(F.No. 000669S)

**Shantilal Daga**  
Partner  
Membership No. 11617

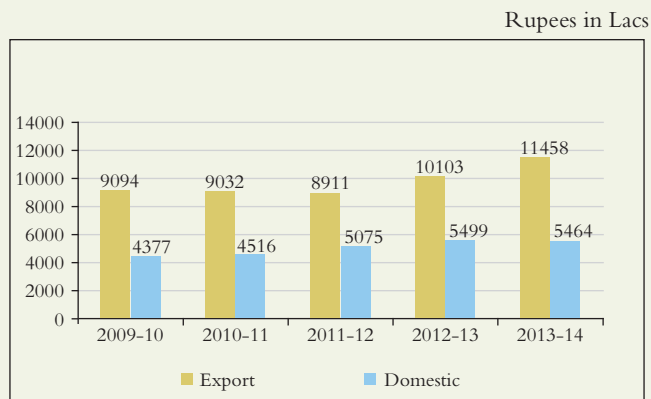
Place : Hyderabad  
Date : 09th August, 2014

## YOUR COMPANY'S GROWTH

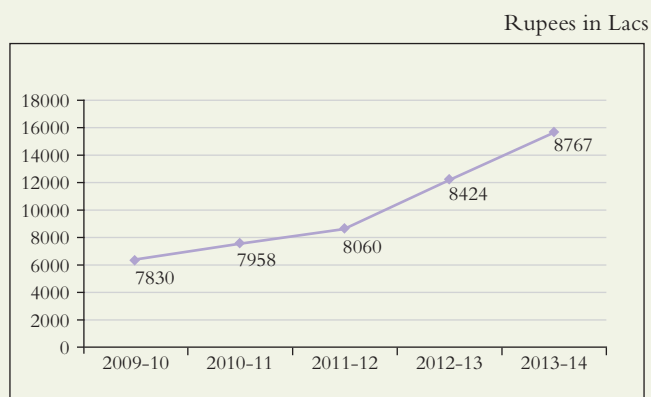
### Turnover



### Sales - Export vs Domestic

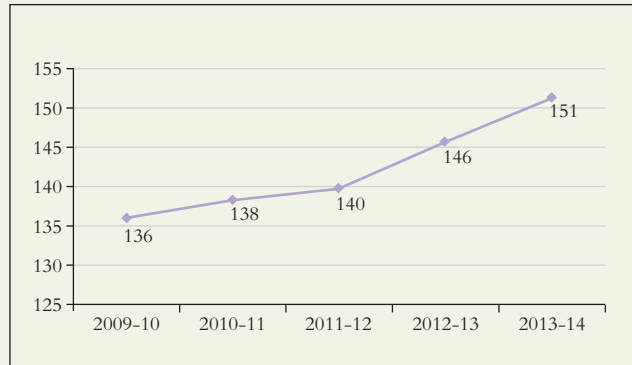


### Reserves & Surplus

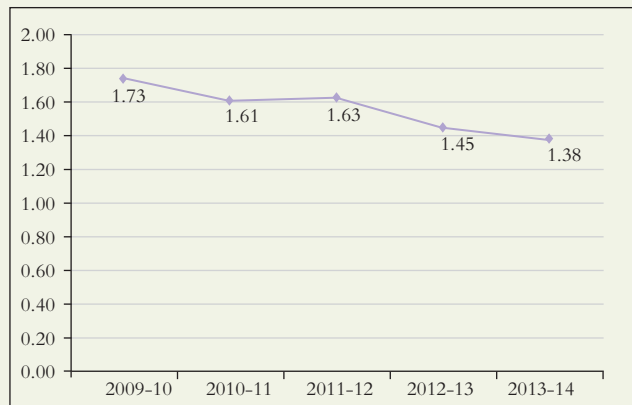


### Book Value

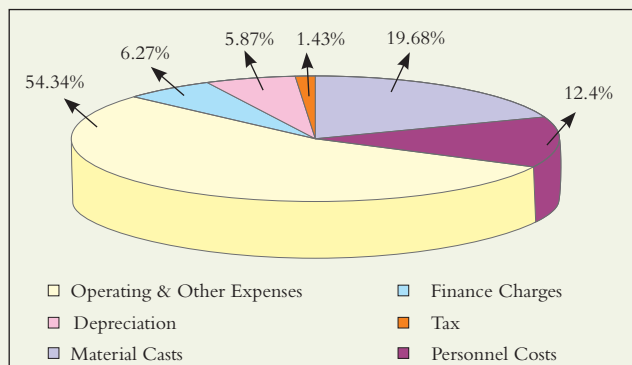
In Rupees



### Debt/Share Holders Fund



### Distribution of Revenue



## INDEPENDENT AUDITORS' REPORT

To  
The Members,  
Pokarna Limited.

### Report on the Financial Statements

We have audited the accompanying financial statements of **POKARNA LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and 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

Management is responsible for the preparation 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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. An audit involves performing procedures to obtain audit evidence about the amounts and 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statement 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;

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

**POKARNA LIMITED**

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2. As required by section 227(3) of the Act, we report that:
- a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
  - e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

Place: Hyderabad  
Date: 29.05.2014

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

**(SHANTILAL DAGA)**  
M.No.11617  
Partner

## POKARNA LIMITED

### ANNEXURE TO THE AUDITORS' REPORT

(Annexure referred to in Point 1 of Other Legal and Regulatory Requirements of the Report of the Auditors)

1. (a) The company has maintained generally proper records to show full particulars including quantitative details and situation of fixed assets.  
(b) As explained to us, the fixed assets have been physically verified by the management at reasonable intervals, in a phased verification programme, which, in our opinion, is reasonable, looking to the size of the Company and the nature of its business. According to the information and explanations given to us, discrepancies noticed on physical verification have been properly dealt with in the books of account;  
(c) In our opinion, and according to the information and explanations given to us, no substantial part of fixed assets has been disposed off by the company during the year.
2. (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.  
(b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.  
(c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
3. (a) The company had not granted any loans, secured or unsecured to companies, firms and other parties covered in the register maintained under Section 301 of the Companies Act, 1956.  
(b) In view of our comment in paragraph 3(a) above, reporting under clause 4(iii) (b), (c) & (d) of the aforesaid order relating to loan granted are not applicable to the Company.  
(c) During the period, the company had taken unsecured loans from 5 parties (Previous year 5 parties) covered in the register maintained under section 301 of the Companies Act, 1956 and the maximum amount involved during the year was ₹ 3170.30 Lacs (Pr.Year ₹ 2774.53 Lacs) and the year end balance is ₹ 3117.30 Lacs (Pr.Year ₹ 2614.68 Lacs).  
(d) In our opinion the rate of interest and other terms and conditions on which loans have been taken from the companies, firms and other parties listed in the register maintained under section 301 of the Companies Act, 1956 are not prima facie prejudicial to the interest of the Company.  
(e) The company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest. There are no overdue amounts of loan taken from parties listed in the register maintained under section 301 of the Companies Act, 1956.
4. 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 with regard to purchase of inventory, fixed assets and with regard to 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 procedures.
5. (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.  
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 in respect of any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

## POKARNA LIMITED

6. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public within the meaning of Section 58A, 58AA of the Companies Act, 1956 or any other relevant provisions of the Act and the rules made there under.
7. In our opinion, the company has internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
9. (a) According to the information and explanations given to us, and on the basis of our examination of the books of account, the company has been regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees state insurance, income-tax, wealth tax, service tax, sales-tax, customs duty, investor education and protection fund and any other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31<sup>st</sup> March 2014 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, the following are the details of disputed statutory dues as at the year end :

Sl. No.	Name of the Statute	Nature of Dues	Amount (₹ In Lacs)	Period to which the amount relates	Forum where the dispute is pending	Amount Deposited (₹ In Lacs)
1	Finance Act, 1994	Service Tax	81.13	2007-14	Commissioner of Central Excise & Service Tax	5.57
2	Central Excise Act, 1944	Excise Duty	152.47	2001-14	Commissioner of Central Excise & Service Tax	--
3	Customs Act, 1962	Customs Duty	75.91	2003-11	Commissioner (Appeals)	37.09
4	Income Tax Act, 1961	Income Tax	27.76	2001-02, 2002-03, 2005-06 & 2006-07	Commissioner of Income Tax & High Court	12.47
<b>Total</b>			<b>337.27</b>			<b>55.13</b>

10. The company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
11. a) The company has delayed in making repayment of dues to bank for a short period of 2-3 months during the year. The balance due to the bank at the close of the year towards principal of ₹ 59.87 Lacs (Previous year ₹37.43 Lacs) and interest of ₹ 5.01 Lacs (Previous year ₹10.01 Lacs) has since been paid by the company as on the date of reporting.
- b) 2,461 (previous year 8,300) Zero coupon Foreign Currency Convertible Bonds (FCCB), face value of USD 1000 each for ₹ 1479.06 Lacs (previous year 4514.31 Lacs) which were matured on 29<sup>th</sup> March 2012, has remained unpaid/unredeemed and are in process of final negotiation with Bond holders as on date of Balance Sheet.
12. The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, clause 4(xii) of the order is not applicable.

**POKARNA LIMITED**

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13. The company is not a chit fund, nidhi, mutual benefit fund or a society. Accordingly, clause 4(xiii) of the order is not applicable.
14. According to the information and explanations given to us, the company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, clause 4(xiv) of the order is not applicable.
15. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly, clause 4(xv) of the order is not applicable.
16. In our opinion, the term loans have been applied for the purpose for which they were raised.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long term investment. .
18. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act. Accordingly, clause 4(xviii) of the order is not applicable.
19. The company has not issued any debentures. Accordingly, clause 4(xix) of the order is not applicable.
20. The company has not raised any money by public issues during the year. Accordingly, clause 4(xx) of the order is not applicable.
21. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.

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

**(SHANTILAL DAGA)**  
M.No.11617  
Partner

Place : Hyderabad  
Date : 29.05.2014

**POKARNA LIMITED**

**BALANCE SHEET**

Rupees in Lacs

	Notes	As at 31.03.2014	As at 31.03.2013
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2.1	620.08	620.08
Reserves & Surplus	2.2	8766.92	8424.15
		<b>9387.00</b>	9044.23
<b>Non-Current Liabilities</b>			
Long-term Borrowings	2.3	5489.02	3203.38
Deferred Tax Liabilities	2.4	451.65	517.16
Other Long-term Liabilities	2.5	581.65	468.03
Long-term Provisions	2.7	59.12	59.46
		<b>6581.44</b>	4248.03
<b>Current Liabilities</b>			
Short-term Borrowings	2.3	3431.85	3353.77
Trade Payables	2.6	1517.38	1130.68
Other Current Liabilities	2.5	4490.43	6992.14
Short-term Provisions	2.7	930.19	1502.48
		<b>10369.85</b>	12979.07
<b>Total</b>		<b>26338.29</b>	26271.33
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Fixed Assets			
Tangible Assets	2.8	8491.45	9020.53
Intangible Assets	2.8	38.28	76.56
Capital Work-In-Progress		155.73	122.34
Non-current Investments	2.9	6115.88	6115.88
Long-term Loans and Advances	2.10	3625.92	3614.11
Other Non-current Assets	2.11	56.56	1.48
		<b>18483.82</b>	18950.90
<b>Current Assets</b>			
Inventories	2.12	3295.61	3362.10
Trade Receivables	2.13	3466.63	2518.90
Cash and Bank Balances	2.14	458.97	700.80
Short-term Loans and Advances	2.10	619.11	718.28
Other Current Assets	2.11	14.15	20.35
		<b>7854.47</b>	7320.43
<b>Total</b>		<b>26338.29</b>	26271.33
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 : Secunderabad  
Date : 29.05.2014

For and on behalf of Board of Directors

<b>Gautam Chand Jain</b>	Chairman & Managing Director
<b>Meka Yugandhar</b>	Director
<b>Vinayak Rao Juvvadi</b>	Director
<b>Mr. Thati Venkataswamy Chowdary</b>	Director
<b>Mahender Chand</b>	Director
<b>Prakash Chand Jain</b>	Director
<b>Rahul Jain</b>	Executive Director
<b>Dhanji Lakhamsi Sawla</b>	Director
<b>M Viswanatha Reddy</b>	Chief Financial Officer
<b>Sanjay Kumar Daga</b>	G.M. - Accounts
<b>Vinay Paruchuru</b>	Company Secretary

**POKARNA LIMITED**

**STATEMENT OF PROFIT & LOSS**

Rupees in Lacs

	Notes	<b>For The Year Ended 31.03.2014</b>	For The Year Ended 31.03.2013
<b>INCOME</b>			
Revenue from Operations (gross)	2.15	<b>17268.46</b>	15866.97
Less :Excise Duty		<b>346.21</b>	264.62
Revenue from Operations (net)		<b>16922.25</b>	15602.35
Other Income	2.16	<b>127.00</b>	420.52
<b>Total</b>		<b>17049.25</b>	16022.87
<b>EXPENSES</b>			
Cost of Raw Material and Components consumed	2.17	<b>2712.19</b>	2793.41
Purchase of Traded Goods	2.18	<b>268.54</b>	188.35
(Increase) / Decrease in Inventories of Finished Goods, Work-in-Progress and Traded Goods	2.19	<b>278.45</b>	298.90
Employee Benefits Expense	2.20	<b>2056.27</b>	1857.09
Other Expenses	2.21	<b>8998.93</b>	8455.05
<b>Total</b>		<b>14314.38</b>	13592.80
<b>Earnings Before Interest, Tax, Depreciation</b>		<b>2734.87</b>	2430.07
Depreciation	2.22	<b>972.87</b>	905.70
Finance Costs	2.23	<b>1038.00</b>	1010.49
<b>Profit Before Tax</b>		<b>724.00</b>	513.88
<b>Tax Expenses</b>			
Current Tax		<b>301.64</b>	204.68
Deferred Tax		<b>(65.51)</b>	(52.50)
Prior year tax		<b>-</b>	(2.81)
<b>Total Tax Expenses</b>		<b>236.13</b>	149.37
<b>Profit After Tax</b>		<b>487.87</b>	364.51
Earnings Per Share - Basic (in ₹)		<b>7.87</b>	5.88
Earnings Per Share - Diluted (in ₹)		<b>7.87</b>	5.88
(Par value of ₹10/- each)			
Significant Accounting Policies	1		
Notes on Financial Statements	2		

The accompanying notes are an integral part of financial statements

As per our report attached

For and on behalf of Board of Directors

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

**Shantilal Daga**  
Partner  
Membership No. 11617

Place : Secunderabad  
Date : 29.05.2014

<b>Gautam Chand Jain</b>	Chairman & Managing Director
<b>Meka Yugandhar</b>	Director
<b>Vinayak Rao Juvvadi</b>	Director
<b>Mr. Thati Venkataswamy Chowdary</b>	Director
<b>Mahender Chand</b>	Director
<b>Prakash Chand Jain</b>	Director
<b>Rahul Jain</b>	Executive Director
<b>Dhanji Lakhamsi Sawla</b>	Director
<b>M Viswanatha Reddy</b>	Chief Financial Officer
<b>Sanjay Kumar Daga</b>	G.M. - Accounts
<b>Vinay Paruchuru</b>	Company Secretary

**POKARNA LIMITED**

**CASH FLOW STATEMENT**

Rupees in Lacs

	<b>For The Year Ended 31.03.2014</b>	For The Year Ended 31.03.2013
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit Before Tax</b>	<b>724.00</b>	513.88
Adjustments:		
Depreciation and amortization expense	<b>972.87</b>	905.70
Loss/(profit) on sale of fixed assets	<b>28.71</b>	(38.10)
Unrealized foreign exchange (gain) / loss, net	<b>108.66</b>	(41.38)
Provision for Doubtful Debts	<b>0.11</b>	(42.86)
Interest expense	<b>1038.00</b>	1010.49
Interest income	<b>(41.79)</b>	(37.23)
<b>Operating profit before working capital changes</b>	<b>2830.56</b>	2270.50
Changes in working capital and other provisions:		
Trade receivables	<b>(916.35)</b>	523.62
Inventories	<b>66.49</b>	446.53
Loans and advances and other assets	<b>500.13</b>	(322.50)
Other Liabilities and provisions	<b>(2965.20)</b>	(1415.46)
<b>Cash generated from operations</b>	<b>(484.37)</b>	1502.69
Income taxes paid, net	<b>(228.37)</b>	(55.17)
<b>Net cash flow generated by operating activities</b>	<b>(712.74)</b>	1447.52
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets and changes in capital work in progress	<b>(497.30)</b>	(989.10)
Proceeds from sale of fixed assets	<b>29.69</b>	77.44
Long term loans and advances given to subsidiaries	<b>(648.25)</b>	(89.78)
Interest income	<b>41.79</b>	37.23
<b>Net cash used in investing activities</b>	<b>(1074.07)</b>	(964.21)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Bank Borrowings	<b>2837.29</b>	(892.13)
Other Borrowings	<b>(219.99)</b>	1392.10
Interest expense	<b>(1038.00)</b>	(1010.49)
<b>Net cash generated in financing activities</b>	<b>1579.30</b>	(510.52)
<b>Net Increase/ (Decrease) in Cash and Cash Equivalents</b>	<b>(207.51)</b>	(27.21)
Add: Cash and Cash equivalents at the beginning of the year	<b>391.94</b>	399.57
Effect of exchange gain on cash and cash equivalents	<b>(14.66)</b>	19.58
<b>Cash and cash equivalents at the end of the year</b>	<b>169.77</b>	391.94
Significant Accounting Policies	1	
Notes on Financial Statements	2	
The accompanying notes are an integral part of financial statements		

As per our report attached

For and on behalf of Board of Directors

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

**Shantilal Daga**  
Partner  
Membership No. 11617

Place : Secunderabad  
Date : 29.05.2014

<b>Gautam Chand Jain</b>	Chairman & Managing Director
<b>Meka Yugandhar</b>	Director
<b>Vinayak Rao Juvvadi</b>	Director
<b>Mr. Thati Venkataswamy Chowdary</b>	Director
<b>Mahender Chand</b>	Director
<b>Prakash Chand Jain</b>	Director
<b>Rahul Jain</b>	Executive Director
<b>Dhanji Lakhamsi Sawla</b>	Director
<b>M Viswanatha Reddy</b>	Chief Financial Officer
<b>Sanjay Kumar Daga</b>	G.M. - Accounts
<b>Vinay Paruchuru</b>	Company Secretary

**POKARNA LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

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**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 generally accepted accounting principles (GAAP) in India and the relevant provisions of the Companies Act 1956 (to the extent applicable) and the provisions of the Companies Act, 2013 (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) Revenue from sale of goods is recognized when significant risks and rewards in respect of ownership are transferred to the customers.
- (ii) Revenue is recognized when it is earned and no significant uncertainty exists as to its realization or collection.
- (iii) Revenue from services is recognized as per the terms of the contracts with the customers when the services are performed.
- (iv) Interest is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- (v) Dividend income is recognized when the company's right to receive dividend is established.
- (vi) Export entitlements under the duty remission scheme are recognized as income when the right to receive the credit as per the terms of the scheme is established in respect of the exports made.

**D Recognition of Expenditure**

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

**E Fixed Assets**

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

**F Intangible Assets**

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

**G Impairment of Assets**

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

**POKARNA LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

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**H Capital Work-in-Progress**

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

**I Depreciation**

Depreciation on fixed assets is provided on straight line method, at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956 and in respect of Earth Moving and Quarrying Equipment @20% p.a based on estimated useful life.

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

**J Investments**

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

**K Inventories**

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

**L Employee Benefits**

Short-term employee benefits are recognized as an expense in the statement of profit and loss of the year in which the related service is rendered.

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

**M Foreign Currency Transactions**

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

**N Leases**

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

**POKARNA LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**O Borrowing Cost**

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

**P Provisions, Contingent Liabilities and Contingent Assets**

- (i) The company recognizes as Provisions, the liabilities being present obligations arising from past events, the settlement of which is expected to result in an outflow of resources and which can be measured only by using a substantial degree of estimation.
- (ii) Contingent Liabilities are disclosed by way of a note to the financial statements after careful evaluation by the management of the facts and legal aspects of the matters involved.
- (iii) Contingent Assets are neither recognized nor disclosed.

**Q Accounting for Taxes on Income**

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

**2. Notes to Financial Statements for the year ended 31 March, 2014** Rupees In Lacs

	31.03.2014	31.03.2013
<b>2.1 Share Capital</b>		
Authorized:		
2,00,00,000 (2,00,00,000) Equity Shares		
of ₹10/- each	2000.00	2000.00
Issued, Subscribed and Paid-up:		
62,00,800 (62,00,800) Equity Shares		
of ₹10/- each fully paid-up	620.08	620.08
<b>Total</b>	<b>620.08</b>	<b>620.08</b>

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

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

**2.1.2 Terms / rights attached to equity shares:**

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

During the year ended 31 March 2014 the amount of per share dividend recognised as distribution to equity shareholders was ₹2/- ( previous year -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.

**POKARNA LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

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

	31.03.2014		31.03.2013	
	No. of shares	% holding	No. of shares	% holding
Equity shares of ₹10/- each fully paid				
Gautam Chand Jain	500000	8.06	500000	8.06
Prakash Chand Jain	500000	8.06	500000	8.06
Ashok Chand Jain	600000	9.68	500000	8.06
Raaj Kumar Jain	510150	8.23	510150	8.23
Dilip Kumar Jain	500000	8.06	500000	8.06

**2.2 Reserves and Surplus**

	31.03.2014		31.03.2013	
<b>Capital Subsidy</b>		15.00		15.00
<b>Share Premium</b>		73.96		73.96
<b>General Reserve</b>				
Balance at the Beginning of the Year	943.76		943.76	
Add: Transfer from Surplus	36.60	980.36	-	943.76
<b>FCCB Redemption Reserve</b>				
Opening Balance	4514.31		6138.78	
Less: Transferred to Surplus on redemption	3035.26	1479.05	1624.47	4514.31
<b>Surplus - Balance in Statement of Profit &amp; Loss</b>				
Opening Balance	2877.12		888.14	
Add: Profit for the year	487.87		364.51	
	3364.99		1252.65	
Add: Trd. from FCCB Redemption reserve on redemption	3035.26		1624.47	
Less: General Reserve	36.60		-	
Less: Proposed Dividend	124.02		-	
Less: Tax on proposed Dividend	21.08	6218.55	-	2877.12
<b>Total</b>		<b>8766.92</b>		<b>8424.15</b>

**POKARNA LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**2.3 Borrowings**

**A. Long-term Borrowings**

	Non-current portion		Current maturities	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
<b>Secured</b>				
<b>Term Loans</b>				
Indian Rupee Loans from Banks	88.38	390.57	646.87	437.51
External Commercial Borrowing from Banks	2606.80	128.36	927.25	839.15
<b>Hire Purchase Loans</b>				
Banks	41.72	65.73	53.10	48.82
Others	156.47	412.07	342.81	284.71
<b>Unsecured</b>				
<b>Loans &amp; Advances from Related Parties</b>				
Loans from Directors	1195.15	832.15	-	-
Inter Corporate Deposits	1400.50	1374.50	-	-
	5489.02	3203.38	1970.03	1610.19
Amount disclosed under the head "Other Current Liabilities" (Note.2.5(B))			(1970.03)	(1610.19)
<b>Total</b>	5489.02	3203.38	-	-

**B. Short-term Borrowings**

**Secured**

From Banks		
- Working Capital Loan	2552.15	2062.58

**Unsecured**

From Others - Inter Corporate Deposit	879.70	1291.19
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<b>Total</b>	3431.85	3353.77
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2.3.1 Term Loans & Working capital facilities from Union Bank of India, Hyderabad, are secured by hypothecation of first charge on all immovable and movable properties including machineries, current assets such as inventories, book debts and other receivables of the company, both present and future besides personal guarantee / security of the Directors (other than independent directors) and their relative.

2.3.2 External Commercial Borrowings from Union Bank of India, Hong Kong Branch are secured by way of extension of charge on fixed assets of the company. USD 7.81 million has been utilised out of total loan sanctioned of USD 10.80 million.

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

	2014-15	2015-16	2016-17	2017-18
<b>Rupee Term Loan</b>				
14.75%	587.00	88.38	-	-
<b>External Commercial Borrowings</b>				
Six months Libor plus 350 bps	927.25	927.25	927.25	752.30

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

**POKARNA LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

	31.03.2014	31.03.2013
<b>2.4 Deferred Tax Liabilities (Net)</b>		
<b>Deferred Tax Liabilities</b>		
Depreciation	459.98	525.08
	459.98	525.08
<b>Deferred Tax Asset</b>		
Others	-	-
Provision for Doubtful Debts	8.33	7.92
	8.33	7.92
<b>Total</b>	451.65	517.16
<b>2.5 Other Liabilities</b>		
<b>A. Other Long-Term Liabilities</b>		
Security Deposit	60.00	60.00
Interest accrued but not due on borrowings	521.65	408.03
<b>Total</b>	581.65	468.03
<b>B. Other Current Liabilities</b>		
Advance from Customers	189.97	142.87
Creditors for Capital Expenditure	98.10	99.00
Zero Coupon Foreign Currency Convertible Bonds (refer note 2.5.1)	1479.06	4514.31
Current Maturities of Long term Borrowings (refer note.2.3(A))	1970.03	1610.19
Interest accrued but not due on borrowings (refer note 2.5.2)	36.49	12.19
Interest accrued and due on borrowings	5.01	10.01
Statutory Liabilities	69.45	104.21
Unclaimed Dividend	3.48	6.31
Other Liabilities	638.84	493.05
<b>Total</b>	4490.43	6992.14
2.5.1 Zero coupon Foreign Currency Convertible Bonds (12,000 Bonds of USD 1000 each), which were matured for payment on 29th March,2012, the company has redeemed 9539 bonds as on date and the balance 2461 bonds are under negotiation for redemption with the Bond Holders as on date of Balance Sheet.		
2.5.2 The repayment of installment of Term Loan of ₹59.87 lacs and interest of ₹5.01 lacs for the last two months are overdue as on the date of Balance Sheet, the company has since repaid the same as on date.		
<b>2.6 Trade Payables</b>		
Trade Payables	1517.38	1130.68
<b>Total</b>	1517.38	1130.68

**POKARNA LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

	31.03.2014	31.03.2013
<b>2.7 Provisions</b>		
<b>A. Long-term Provisions</b>		
<b>Provision for Employee Benefits</b>		
Provision for Gratuity	36.71	40.31
Provision for Leave Benefit	22.41	19.15
<b>Total</b>	<b>59.12</b>	<b>59.46</b>
<b>B. Short-term Provisions</b>		
Provision for Gratuity	5.80	5.32
Provision for Leave Benefit	43.58	39.44
Provision for Premium on FCCB's (refer note 2.7.1 & 2.7.2)	434.07	1253.04
Provision for Tax	301.64	204.68
Provision for Proposed Dividend	124.02	-
Provision for tax on proposed Dividend	21.08	-
<b>Total</b>	<b>930.19</b>	<b>1502.48</b>

Particulars	Opening Balance	Restatement / payment	Gain on redemption	Closing Balance
2.7.1 Provision for premium on FCCB's	1253.04	- 111.40	-707.57	434.07

2.7.2 Provision has been retained towards premium payable on redemption of FCCB's which were matured on 29.03.2012 as per the subsisting terms and conditions. As on date bonds have been redeemed to the extent of 9539 bonds as per the negotiated terms with the said bond holders. The gain / benefit, cost, charges including foreign exchange gain / loss at the close of the year are transferred to Pokarna Engineered Stone Limited (subsidiary) as per the Scheme of Arrangement sanctioned by Hon'ble Andhra Pradesh High Court and agreement thereto. The corresponding receivable arising thereof is disclosed under the head 'Loans and Advances to Subsidiary'. The company expects no further liability other than provided for in the books.

**POKARNA LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**Notes - 2.8**

**Fixed Assets**

Rupees In Lacs

Description	Gross Block			Depreciation			Net Block	
	As on 01.04.2013	Additions	Deletions	As on 31.03.2014	Upto 31.03.2013	For the Period	As on 31.03.2014	As on 31.03.2013
<b>Tangible Assets:</b>								
Land - Freehold*	486.30	-	-	486.30	-	-	486.30	486.30
Buildings	55.81	-	-	55.81	7.87	0.91	47.03	47.94
Factory & Quarry Buildings	2412.37	72.47	-	2484.84	638.60	75.67	1770.57	1773.77
Plant & Machinery	11208.53	200.43	70.56	11338.40	5348.90	735.94	5304.32	5859.63
Vehicles	594.60	108.73	77.68	625.65	311.29	54.46	323.46	283.31
Furniture & Fixtures	783.22	29.26	40.85	771.63	291.07	54.14	442.79	492.15
Office Equipment	196.03	53.02	-	249.05	118.60	13.47	116.98	77.43
<b>Total - (A)</b>	15736.86	463.91	189.09	16011.68	6716.33	934.59	8491.45	9020.53
<b>Intangible Assets:</b>								
Trade Marks & Brand Names	382.80	-	-	382.80	306.24	38.28	38.28	76.56
<b>Total - (B)</b>	382.80	-	-	382.80	306.24	38.28	38.28	76.56
<b>Total - (A + B)</b>	16119.66	463.91	189.09	16394.48	7022.57	972.87	8529.73	9097.09
Previous Year	15453.07	1140.33	473.74	16119.66	6551.27	905.70	9097.09	8901.80

\* Note 2.8.1 - Land admeasuring Acres 2.11 cents has been disputed by third parties pending disposal.

2.8.2- Land in possession and occupation includes 45.37 Acres in respect of which conveyance / lease deeds are pending for execution. The company has paid ₹66.26 Lacs as an advance consideration and the same is disclosed under the head 'Long Term Loans & Advances'.

**POKARNA LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

	31.03.2014	31.03.2013
<b>2.9 Non-Current Investments</b>		
Trade - Unquoted		
Fully Paid Up Long Term - At Cost		
In Subsidiary Companies -		
<b>Equity Shares:</b>		
1,00,000 Equity Shares of ₹10/- each of Pokarna Engineered Stone Limited	10.00	10.00
<b>Debentures:</b>		
1,25,21,932 (p.y 6,10,58,764) Optionally Convertible Unsecured Debentures of ₹ 10/- each of Pokarna Engineered Stone Limited (refer note 2.9.1 & 2)	1252.19	6105.88
4,85,36,832 (p.y Nil) Optionally Convertible Unsecured Debentures - Series - II - of ₹ 10/- each of Pokarna Engineered Stone Limited (refer note 2.9.1 & 3)	4853.69	-
<b>Total</b>	<b>6115.88</b>	6115.88

**2.9.1** During the year 4,85,36,832 Optionally Convertible Unsecured Debentures of ₹10/- each of Pokarna Engineered Stone Limited, have been converted into Series-II Optionally convertible Unsecured Debentures of ₹10/- each on certain terms and conditions w.e.f 1st January, 2014, refer note no.2.9.3

**2.9.2 Optionally Convertible Debentures**

- a. The aforesaid Optionally Convertible Debentures were acquired for net consideration in terms of order of the Hon'ble High Court of Andhra Pradesh sanctioning Scheme of Arrangement between the Company and Pokarna Engineered Stone Limited for transfer of assets, liabilities and expenses.
- b. Terms and Conditions: Debentures are for tenor of 7 years from the date of allotment, during this period the option to convert / redeem shall vest solely with the Company. Upon maturity, failing the exercise of option by the 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 Pokarna Engineered Stone Limited. 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 ₹10/- each of Pokarna Engineered Stone Limited.

**2.9.3 Optionally Convertible Debentures - Series - II**

- a. Optionally Convertible Debentures - Series-II have been issued on account of part conversion of earlier debentures.
- b. Terms and Conditions: Debentures are for tenor of 7 years from the date of allotment, during this period the option to convert / redeem shall vest solely with the Company.
- c. Interest on debentures shall be payable @ 3% p.a.
- d. Redemption obligation: Redeemable at par in cash
- e. Conversion obligation: 15 (Fifteen) OCDs shall be convertible into 1 (One) equity share of ₹10/- each of Pokarna Engineered Stone Limited.

**POKARNA LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

	31.03.2014	31.03.2013
<b>2.10 Loans &amp; Advances</b>		
<b>A. Long-term Loans and Advances</b>		
Unsecured, considered good unless stated otherwise		
Capital Advances	441.83	165.54
Security Deposit	446.50	480.31
Advances recoverable in cash or kind	606.79	1324.30
Loans and Advances to Subsidiary		
- Pokarna Engineered Stone Limited	2130.80	1643.96
<b>Total</b>	<b>3625.92</b>	<b>3614.11</b>
<b>2.10.1 Security Deposit includes ₹ 57.22 Lacs pledged to Mines &amp; Geology Department</b>		
<b>B. Short-term Loans and Advances</b>		
Unsecured, considered good unless stated otherwise		
Advances recoverable in cash or kind	261.07	333.30
Cenvat Credit Receivable	17.46	6.76
Balances with Customs & Excise Authorities	-	60.71
Advance for Raw Material	185.81	191.77
Advance Income Tax	61.67	37.98
Prepaid Expenses	93.10	87.76
<b>Total</b>	<b>619.11</b>	<b>718.28</b>
<b>2.11 Other Assets</b>		
<b>A. Other Non-current Assets</b>		
Unsecured, considered good unless stated otherwise		
Non-current Bank Balances		
Deposits with maturity for more than 12 months		
Margin Money deposits	53.90	1.38
Interest accrued on fixed deposits	2.66	0.10
<b>Total</b>	<b>56.56</b>	<b>1.48</b>
<b>B. Other Current Assets</b>		
Unsecured, considered good unless stated otherwise		
Interest accrued on fixed deposits	14.15	20.35
<b>Total</b>	<b>14.15</b>	<b>20.35</b>
<b>2.12 Inventories</b>		
Raw Material (includes in transit ₹18.35 Lacs (₹21.05 Lacs))	688.36	559.23
Work-in-progress	141.38	94.23
Finished Goods	1740.91	1983.72
Traded Goods (includes in transit ₹Nil Lacs (₹2.18 Lacs))	64.04	146.83
Consumables, Stores & Spares (includes in transit ₹0.25 Lacs (₹3.70 Lacs))	613.68	512.67
Packing Material	47.24	65.42
<b>Total</b>	<b>3295.61</b>	<b>3362.10</b>

**POKARNA LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

	31.03.2014	31.03.2013
<b>2.13 Trade Receivables</b>		
Unsecured, considered good unless stated otherwise		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered good	405.82	321.81
Doubtful	24.51	24.40
	430.33	346.21
Provision for doubtful receivables	24.51	24.40
	405.82	321.81
Other receivables	3060.81	2197.09
<b>Total</b>	3466.63	2518.90

**2.13.1 Trade Receivables include:**

Debts due from company in which the company's directors are directors		
- Pokarna Fashions Limited	204.37	126.34
- Pokarna Marketing Limited	9.38	--
	9.38	--

**2.14 Cash and Bank Balances**

	Non-current		Current	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
Cash and Cash Equivalents				
Balances with Banks			90.62	361.38
Deposits - Margin Money				
with maturity less than 3 months			66.00	11.83
In unpaid Dividend Account			3.47	6.31
Cash in Hand			9.68	12.42
			169.77	391.94
Other Bank Balances				
Deposits - Margin Money				
with maturity for more than 3 months but less than 12 months			289.20	308.86
with maturity for more than 12 months	53.90	1.38		
Amount disclosed under the head "Other Non-current Assets" (Note.2.11(A))	(53.90)	(1.38)		
<b>Total</b>	-	-	458.97	700.80

**POKARNA LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

	31.03.2014	31.03.2013
<b>2.15 Revenue from Operations</b>		
Sale of Products		
Finished Goods	16720.63	15483.95
Traded Goods	498.19	313.54
	<u>17218.82</u>	<u>15797.49</u>
Sale of Services	14.34	29.51
Other Operating Income		
Scrap Sales	35.30	39.97
Revenue from Operations (Gross)	<u>17268.46</u>	<u>15866.97</u>
<b>Details of Products Sold</b>		
<b>Finished Goods Sold</b>		
Finished Granite	11826.14	9687.05
Raw Granite	3783.94	4435.39
Apparel	1110.55	1361.51
	<u>16720.63</u>	<u>15483.95</u>
<b>Traded Goods Sold</b>		
Finished Granite	160.98	97.70
Raw Granite	9.31	4.04
Apparel	59.54	67.18
Fabric	268.36	144.62
	<u>498.19</u>	<u>313.54</u>
<b>Total</b>	<u>17218.82</u>	<u>15797.49</u>
<b>Details of Services Rendered</b>		
Job work Charges	14.34	29.51
<b>Total</b>	<u>14.34</u>	<u>29.51</u>
<b>2.16 Other Income</b>		
Interest income on		
Bank Deposits	32.30	28.02
Debentures	36.40	-
Others	9.49	9.21
Commission Income	0.40	0.25
Foreign Exchange Gain	-	241.82
Bad Debts Recovered	8.41	-
Miscellaneous Income	-	38.67
Profit on sale of assets	-	52.75
Hire Charges Received	40.00	49.80
Gain / Benefits on redemption of FCCB's	43.73	711.21
Deduct: Reimbursed	43.73	(711.21)
<b>Total</b>	<u>127.00</u>	<u>420.52</u>

**2.16.1 Gain / Benefit on redemption of FCCB's:**

Gain / benefit has arisen due to part redemption of 5839 ( previous year 3700 ) FCCB's at discounted price and the same has been reimbursed to Pokarna Engineered Stone Limited as per the Scheme of Arrangement and agreement thereto.

**POKARNA LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

	31.03.2014	31.03.2013
<b>2.17 Cost of Raw Material and Components consumed</b>		
Opening Stock	608.78	890.71
Add: Purchases	2841.35	2511.48
	3450.13	3402.19
Less: Closing Stock	737.94	608.78
<b>Total</b>	2712.19	2793.41
 <b>Details of Raw Material and Components consumed</b>		
Raw Granite	2402.33	2336.02
Fabric	280.43	425.16
Consumables	29.43	32.23
<b>Total</b>	2712.19	2793.41
 <b>Details of Inventory</b>		
Raw Granite	593.21	385.50
Fabric	95.16	173.73
Consumables	49.57	49.55
<b>Total</b>	737.94	608.78
 <b>2.18 Details of Purchase of Traded Goods</b>		
Finished Granite	88.57	57.09
Raw Granite	-	3.78
Apparel	22.35	51.32
Fabric	157.62	76.16
<b>Total</b>	268.54	188.35

**POKARNA LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

	31.03.2014	31.03.2013
<b>2.19 (Increase) / Decrease in Inventories</b>		
<b>Opening Stock</b>		
Finished Goods	1781.02	1935.65
Work-in-Process	94.23	322.12
Raw Granite	202.70	114.35
Traded Goods	146.83	151.56
	2224.78	2523.68
<b>Less: Closing Stock</b>		
Finished Goods	1411.41	1781.02
Work-in-Process	141.38	94.23
Raw Granite	329.50	202.70
Traded Goods	64.04	146.83
	1946.33	2224.78
<b>Total</b>	278.45	298.90
<b>Details of Inventory</b>		
<b>Traded Goods</b>		
Raw Granite	-	2.18
Apparel	42.12	74.05
Fabric	21.92	70.60
<b>Total</b>	64.04	146.83
<b>Work-In-Progress</b>		
Finished Granite	92.49	75.73
Apparel	48.89	18.50
<b>Total</b>	141.38	94.23
<b>Finished Goods</b>		
Finished Granite	1184.68	1108.85
Raw Granite	329.50	202.70
Apparel	226.73	672.17
<b>Total</b>	1740.91	1983.72
<b>2.20 Employee Benefit Expenses</b>		
Salaries, Wages, Bonus & Allowances	1783.30	1548.55
Contribution to Provident Fund and Other Fund	112.56	111.74
Retirement Benefits	8.82	63.85
Staff Welfare Expenses	151.59	132.95
<b>Total</b>	2056.27	1857.09

**POKARNA LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

	31.03.2014	31.03.2013
<b>2.21 Other Expenses</b>		
Consumption of Stores & Spares	2193.64	1948.79
Other processing & Job work exp.	420.97	268.44
Power and Fuel	1701.65	1738.01
Repairs and Maintenance:-		
- Plant and Machinery	110.81	79.05
- Building	14.28	17.26
- Others	62.48	15.82
Cutter and Driller Charges	431.31	446.81
Royalty on Quarry Land	12.74	33.98
Rent	327.43	418.25
Rates and Taxes	33.58	21.74
Insurance	69.15	91.35
Communication Charges	39.66	35.46
Printing & Stationery	18.26	19.31
Travelling & Conveyance Expenses	209.77	183.92
Electricity Charges	60.31	56.34
Vehicle Maintenance	90.98	79.84
Auditors Remuneration	5.40	6.22
Advertisement	4.46	2.64
Legal and Professional Charges	71.91	106.60
Directors Sitting Fees	2.30	3.25
Donations	10.66	12.98
Fees & Subscriptions	7.75	7.30
Government Royalty and Dead Rent	654.36	774.85
Carriage Outwards	1009.61	1029.36
Sales Commission	44.30	73.81
Discounts and Claims	313.64	216.29
Business Promotion Expenses	331.55	255.66
Packing Material	299.80	250.61
Bad Debts Written off	-	108.57
Provision for Doubtful Debts	0.11	(42.86)
Excise Duty-Others	28.54	(27.24)
Sales Tax	159.03	124.84
Bank Charges	65.80	47.27
Foreign Exchange Loss	126.11	-
Impairment / Loss on sale of assets	28.71	14.65
Miscellaneous Expenses	37.87	35.88
<b>Total</b>	<b>8998.93</b>	<b>8455.05</b>

**POKARNA LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**2.21.1 Auditors Remuneration**

<b>Particulars</b>	<b>31.03.2014</b>	31.03.2013
For Statutory Audit	<b>3.50</b>	3.50
For Tax Audit	<b>0.75</b>	0.75
For certification	<b>0.75</b>	1.49
Out of Pocket expenses	<b>0.16</b>	0.26
Service Tax	<b>0.24</b>	0.22

**2.22 Depreciation & Amortization**

Depreciation on tangible assets	<b>934.59</b>	867.42
Amortization on intangible assets	<b>38.28</b>	38.28
<b>Total</b>	<b>972.87</b>	905.70

**2.23 Finance Costs**

Interest on Borrowings:		
- Banks	<b>692.22</b>	690.49
- Others	<b>345.78</b>	320.00
Other Borrowing Cost:		
Cost of variable coupon on restatement of FCCB	<b>223.95</b>	527.40
Interest payable on matured FCCB	<b>-</b>	127.44
Deduct :Amount transferred as charges for variable coupon / interest on debentures	<b>(223.95)</b>	(654.84)
<b>Total</b>	<b>1038.00</b>	1010.49

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

**POKARNA LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**2.24 1. Contingent Liabilities not provided for**

<b>Particulars</b>	<b>31.03.2014</b>	<b>31.03.2013</b>
a) Bank Guarantees	1.22	1.22
b) Letter of Credits outstanding	223.39	335.01
Claims against the company / disputed liabilities not acknowledged as debts:		
c) Income tax matters, pending decisions on various appeals made by the company and by the Department. Amount deposited ₹12.47 Lacs (previous year ₹12.47 Lacs)	27.76	27.76
d) Excise matters (including service tax). Amount deposited ₹5.57 Lacs (previous year ₹5.71 Lacs)	233.60	231.67
e) Customs matters, Amount deposited ₹37.09 Lacs (previous year ₹40.84 Lacs)	75.91	79.66
f) Sales tax matters, Amount deposited ₹Nil (previous year ₹Nil Lacs)	-	61.50
g) Mines & Geology matters	138.20	138.20
h) Cross subsidy charges payable to Central Power Distribution Company	61.60	61.60
i) Other Matters disputed	142.15	131.05
Other Commitments:		
j) Company remains exposed to liability towards fuel surcharge adjustment, which are notified by Power Distribution Companies of Andhra Pradesh pertaining to earlier years, which are being adjusted in future tariff payable for consumption. Accordingly charges are accounted in the year of payment / bill raised for the same.		
k) The company is also involved in other lawsuits, claims, investigations and proceedings, including patent and commercial matters, which arise in the ordinary course of business. However, there are no material claims on such cases.		
<b>2. Capital Commitments</b>		
Estimated Amount of contracts remaining to be executed on Capital Account not provided for (net of advances)	693.03	56.33

**2.25 Financial and Derivative Instruments**

Foreign currency exposure that are not hedged by derivative or forward contracts as on 31st March 2014	8492.84	9261.13
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**2.26 Deferred Tax**

<b>Particulars</b>		
<b>Deferred Tax Liability</b>		
Others	-	-
Provision for Debtors	-	13.91
<b>Total</b>	<b>-</b>	<b>13.91</b>
<b>Deferred Tax Asset</b>		
Provision for Debtors	0.41	-
Depreciation	65.10	66.41
<b>Total</b>	<b>65.51</b>	<b>66.41</b>
<b>Net Deferred Tax Liability</b>	<b>(65.51)</b>	<b>(52.50)</b>

**POKARNA LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**2.27 Related Party Transactions**

- a) Enterprises where control exists:  
Pokarna Engineered Stone Limited – 100% subsidiary
- b) Names of the Associate concerns:  
Pokarna Fabrics Limited, Pokarna Fashions Limited, Pokarna Marketing Limited
- c) Names of the Associate Firms:  
Southend, Southend Extension
- d) Names of Key Management Personnel  
Gautam Chand Jain, Rahul Jain
- e) Names of Relatives  
Prakash Chand Jain, Ashok Chand Jain, Raaj Kumar Jain, Apurva Jain, Nidhi Jain, Neha Jain (Arrush Creations) and Suvidh Chordia
- f) Disclosure of transactions between the company and related parties and the status of Outstanding balances for the year **2013-14** (2012-13)

<b>Nature of the Transaction</b>	<b>Subsidiary</b>	<b>Associates</b>	<b>Key Management Personnel</b>	<b>Relatives</b>	<b>Total</b>
Purchase of Goods	-	<b>19.26</b>	-	<b>15.41</b>	<b>34.67</b>
	-	(26.75)	-	-	(26.75)
Sale of Goods / Services	<b>8.22</b>	<b>477.52</b>	-	<b>7.32</b>	<b>493.06</b>
	(1.99)	(301.84)	-	(0.07)	(303.90)
Remuneration to Directors	-	-	<b>68.47</b>	-	<b>68.47</b>
	-	-	(35.99)	-	(35.99)
Salaries	-	-	-	<b>10.86</b>	<b>10.86</b>
	-	-	-	-	-
Rent paid	-	<b>31.02</b>	-	-	<b>31.02</b>
	-	(31.02)	-	-	(31.02)
Interest payable	-	<b>126.24</b>	-	-	<b>126.24</b>
	-	(97.20)	-	-	(97.20)
Cost of variable coupon on restatement of FCCB	<b>223.95</b>	-	-	-	<b>223.95</b>
	(654.84)	-	-	-	(654.84)
Gain / Benefits on redemption of FCCB transferred	<b>751.30</b>	-	-	-	<b>751.30</b>
	(1216.38)	-	-	-	(1216.38)
Interest on Debentures - Series-II received	<b>36.40</b>	-	-	-	<b>36.40</b>
	-	-	-	-	-
Purchase of Asset	-	-	-	-	-
	(0.50)	-	-	-	(0.50)
Loan Received	-	<b>26.00</b>	-	<b>416.00</b>	<b>442.00</b>
	-	(39.50)	(165.00)	(150.00)	(354.50)
Loan Repaid	-	-	<b>26.00</b>	<b>27.00</b>	<b>53.00</b>
	-	-	(119.85)	(40.00)	(159.85)
Loans & Advances given	<b>76.79</b>	-	-	-	<b>76.79</b>
	(90.28)	-	-	-	(90.28)
Balances as at 31/03/2014 – Receivable	<b>2163.57</b>	<b>213.75</b>	-	<b>23.61</b>	<b>2400.93</b>
	(1643.96)	(126.34)	-	(12.68)	(1782.98)
Balances as at 31/03/2014 – Payables	-	<b>2022.21</b>	<b>491.15</b>	<b>747.44</b>	<b>3260.80</b>
	-	(1897.74)	(529.15)	(315.00)	(2741.89)
Investments as on 31/03/2014	<b>6115.88</b>	-	-	-	<b>6115.88</b>
	(6115.88)	-	-	-	(6115.88)

**POKARNA LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

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

1. Purchase of goods include Pokarna Fabrics Limited ₹12.19 Lacs (previous year ₹26.61 Lacs), Pokarna Marketing Limited ₹5.34 Lacs (previous year ₹0.04 Lacs), Pokarna Fashions Limited ₹1.73 Lacs (previous year ₹0.10 Lacs), Aarush Creations ₹15.41 Lacs (Previous year ₹Nil Lacs)
2. Sales of goods/ services include to Pokarna Engineered Stone Limited ₹8.22 Lacs (previous year ₹1.99 Lacs), Pokarna Fashions Limited ₹339.74 Lacs ( previous year ₹276.34 Lacs), Pokarna Fabrics Limited ₹0.07 Lacs (previous year ₹0.09 Lacs), Pokarna Marketing Limited ₹105.07 Lacs ( Previous year ₹Nil Lacs) Southend ₹8.28 Lacs (previous year ₹10.80 Lacs), Southend Extension ₹24.36 Lacs (previous year ₹14.61 Lacs), Raaj Kumar Jain ₹Nil Lacs (previous year ₹ 0.07 Lacs), Suvidh Chordia ₹4.66 Lacs (Previous year ₹Nil Lacs), Ashok Chand Jain ₹0.01 Lacs (Previous year ₹Nil Lacs), Arrush Creations ₹2.65 Laksh ( previous year ₹Nil Lacs)
3. Remuneration to directors includes to Gautam Chand Jain ₹40.34 Lacs (previous year ₹23.99 Lacs), Rahul Jain ₹28.13 Lacs (previous year ₹12.00 Lacs)
4. Salary paid include to Apoorva Jain ₹ 5.43 (Previous year ₹ Nil Lacs), Nidhi Jain ₹5.43 (Previous year ₹ Nil Lacs)
5. Rent paid to Pokarna Fabrics Limited ₹31.02 Lacs (previous year ₹31.02 Lacs)
6. Interest payable to Pokarna Fabrics Limited ₹86.08 Lacs (previous year ₹81.90 Lacs), Pokarna Marketing Limited ₹40.16 Lacs (previous year ₹15.30 Lacs)
7. Cost of variable coupon on restatement of FCCB to Pokarna Engineered Stone Limited ₹223.95 Lacs (previous year ₹654.84 Lacs)
8. Gain / Benefit on redemption of FCCB transferred to Pokarna Engineered Stone Limited ₹751.30 Lacs (previous year ₹1216.38 Lacs)
9. Interest received on Debentures- Series-II from Pokarna Engineered Stone Limited ₹ 36.40 Lacs (Previous year ₹ Nil Lacs)
10. Asset purchased from Pokarna Engineered Stone Limited ₹Nil Lacs (previous year ₹ 0.50 Lacs)
11. Loan received includes from Pokarna Fabrics Limited ₹26.00 Lacs (previous year ₹39.50 Lacs), Gautam Chand Jain ₹Nil Lacs (previous year ₹165.00 Lacs), Prakash Chand Jain ₹416.00 Lacs (previous year ₹150.00 Lacs)
12. Loan repaid to Gautam Chand Jain ₹26.00 Lacs (previous year ₹82.50 Lacs), Rahul Jain ₹Nil Lacs (previous year ₹37.35 Lacs), Prakash Chand Jain ₹27.00 Lacs (previous year ₹40.00 Lacs)
13. Advance given to Pokarna Engineered Stone Limited ₹76.79 Lacs ( previous year ₹90.28 Lacs)
14. Receivables include from Pokarna Engineered Stone Limited ₹2163.56 Lacs (previous year ₹1643.96 Lacs), Pokarna Fashions Limited ₹204.37 Lacs (previous year ₹126.34 Lacs), Pokarna Marketing Limited ₹9.38 Lacs (Previous year ₹Nil Lacs), Raaj Kumar Jain ₹12.68 Lacs (previous year ₹12.68 Lacs), Suvidh Chordia ₹4.66 Lacs (previous year ₹Nil Lacs), Arrush Creations ₹6.27 Lacs (Previous year ₹Nil Lacs )
15. Payables include to Pokarna Fabrics Limited ₹1622.60 Lacs (previous year ₹1536.90 Lacs), Pokarna Marketing Limited ₹350.21 Lacs (previous year ₹318.09 Lacs), Pokarna Fashions Limited ₹35.00 Lacs (previous year ₹35.00 Lacs), Southend Extension ₹14.40 Lacs (previous year ₹7.75 Lacs), Gautam Chand Jain ₹453.50 Lacs (previous year ₹479.50 Lacs), Rahul Jain ₹37.65 Lacs (previous year ₹49.65 Lacs), Prakash Chand Jain ₹704.00 Lacs (previous year ₹315 Lacs), Nidhi Jain ₹5.43 Lacs (Previous year ₹Nil Lacs), Apoorva Jain ₹5.43 Lacs (Previous year ₹Nil Lacs), Arrush Creations ₹32.58 Lacs (Previous year ₹Nil Lacs)
16. Investments are in Pokarna Engineered Stone Limited ₹6115.88 Lacs (previous year ₹6115.88 Lacs)

**POKARNA LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

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

<b>Particulars</b>	<b>31.03.2014</b>	<b>31.03.2013</b>
a) Principal amount remaining unpaid and interest due thereon	<b>Nil</b>	Nil
b) Interest paid in term of Section 16	<b>Nil</b>	Nil
c) Interest due and payable for the period of delay in payment	<b>Nil</b>	Nil
d) Interest accrued and remaining unpaid	<b>Nil</b>	Nil
e) Interest due and payable even in succeeding years	<b>Nil</b>	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.

**2.29 Earnings Per Share (EPS)**

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

<b>Particulars</b>		
<b>Basic and Diluted Earnings Per Share</b>		
Numerator for Basic earnings per share:		
Profit attributable to the Equity Share Holders	<b>487.87</b>	364.51
Denominator for Basic earnings per share:		
Basic / Weighted Average number of shares	<b>6200800</b>	6200800
Basic Earnings Per Share (in ₹)	<b>7.87</b>	5.88

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

**2.31 Employee Benefits:**

<b>Particulars</b>		
<b>Defined Contribution Plan</b>		
Employer's contribution to Provident Fund	<b>88.49</b>	<b>85.64</b>

**Defined Benefit Plan**

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

**POKARNA LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

Particulars	Gratuity (Funded)		Compensated Absence (Unfunded)	
	Year Ended	Year Ended	Year Ended	Year Ended
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
<b>a) Reconciliation of opening and closing balances of the present value of the Projected Benefit Obligation</b>				
Projected Benefit Obligation				
at Beginning of year	215.44	186.97	23.11	17.38
Current service cost	33.50	37.74	22.96	23.00
Past Service Cost	-	-	-	-
Interest cost	16.50	15.21	1.70	1.20
Actuarial(Gain)/Loss	(35.75)	(5.73)	(16.66)	(11.72)
Benefits paid	(21.49)	(18.76)	(3.88)	(6.75)
Projected Benefit Obligation at year end	208.18	215.44	27.23	23.11
<b>b) Reconciliation of opening and closing balances of Fair Value of plan assets</b>				
Fair value of Plan asset at beginning of year	197.64	144.98	-	-
Adjustment of opening balance		(6.02)	-	-
Expected return on Plan Assets	16.70	14.91	-	-
Actuarial(Gain)/Loss	(0.03)	(0.76)	-	-
Employer Contribution	7.78	63.28	3.88	6.75
Benefits Paid	(21.49)	(18.75)	(3.88)	(6.75)
Fair value of Plan asset at year end	200.60	197.64	-	-
<b>c) Reconciliation of fair value of assets and Obligation</b>				
Fair value of Plan assets	200.60	197.64	-	-
Present value of Projected Benefit obligation	208.18	215.44	27.23	23.10
Amount recognized in Balance Sheet	(7.58)	(17.80)	(27.23)	(23.10)
<b>d) Expenses recognized during the year Under the head "Personnel Costs".</b>				
Current service cost	33.50	37.74	22.96	23.00
Interest cost	16.50	15.21	1.71	1.20
Past Service Cost	-	-	-	-
Expected return on Plan Assets	(16.70)	(14.91)	-	-
Actuarial(Gain)/Loss	(35.75)	(4.97)	(16.66)	(17.33)
Income(-)/Expenses(+) recognized in the statement of Profit & Loss	(2.44)	33.07	8.01	6.87
<b>e) Actuarial Assumptions</b>				
	1994-96	1994-96	1994-96	1994-96
Mortality Table (L.I.C)	(Ultimate)	(Ultimate)	(Ultimate)	(Ultimate)
Discount rate (per annum)	9.00%	8.06%	9.00%	8.06%
Rate of escalation in salary (per annum)	5.00%	5.00%	5.00%	5.00%
Attrition Rate	10.00%	10.00%	10.00%	10.00%
Expected return on Plan assets – LIC	8.75%	9.25%	-	-
<b>f) The estimates of future salary increases considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors.</b>				
<b>g) The company expects to contribute ₹10.00 Lacs to its Gratuity plan for the next year.</b>				

**POKARNA LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**2.32 Leases:**

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

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

<b>Particulars</b>	<b>31.03.2014</b>	<b>31.03.2013</b>
Rent expenses included in Profit and Loss Account towards operating leases	<b>327.43</b>	418.25
Minimum Lease obligation under non-cancellable lease contracts amounts to:		
Particulars		
Within 1 year	<b>299.92</b>	448.90
After 1 year but before 5 years	<b>1199.67</b>	1933.58
After 5 years	-	-
<b>Total</b>	<b>1499.59</b>	2382.48

**2.33 Provisions**

<b>Particulars</b>	<b>Carrying amount as at April 1, 2013</b>	<b>Additional Provisional made during the year</b>	<b>Amount written off during the year</b>	<b>Amount reversed during the year</b>	<b>Unused as at March 31, 2014</b>
Provision for Doubtful Debts	24.40	0.11	-	-	<b>24.51</b>

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

<b>Class of Goods</b>	<b>31.03.2014</b>			<b>31.03.2013</b>	
	<b>Value</b>	<b>%</b>	<b>Value</b>	<b>Value</b>	<b>%</b>
Raw Material	Imported	<b>194.36</b>	<b>5.48</b>	212.32	6.36
	Indigenous*	<b>3349.59</b>	<b>94.52</b>	3124.72	93.64
	<b>Total</b>	<b>3543.95</b>	<b>100.00</b>	3337.04	100.00
Consumables, Stores & Spares	Imported	<b>1358.48</b>	<b>61.11</b>	985.59	49.75
	Indigenous	<b>864.59</b>	<b>38.89</b>	995.43	50.25
	<b>Total</b>	<b>2223.07</b>	<b>100.00</b>	1981.02	100.00

\* Including inter unit transfer of **8046 CBM of ₹ 861.19** Lacs (previous year 5341 CBM of ₹575.86 Lacs)

**POKARNA LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**b) CIF value of imports:**

<b>Particulars</b>	<b>31.03.2014</b>	31.03.2013
Raw Material	<b>264.68</b>	201.16
Consumables, Stores & Spares	<b>1495.87</b>	1132.10
Capital Items	<b>23.08</b>	4.31

**c) Earnings in foreign currency**

Income from sales (FOB)	<b>10581.42</b>	9259.00
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**d) Expenditure in foreign currency**

Travel & Conveyance	<b>96.08</b>	93.86
Business Promotion	<b>178.44</b>	85.51
Ocean Freight	-	10.40
Fee & Subscription	<b>4.09</b>	-
Repairs & Maintenance	<b>0.41</b>	-
Sales Commission	<b>1.43</b>	-
Advertisement	-	3.51
Interest	<b>123.74</b>	39.46

**2.35 a)** The Ministry of Corporate Affairs, Government of India, vide General Circular No.2 and 3 dated 8th February 2011 and 21st February 2011 respectively has granted a general exemption from compliance with section 212 of the Companies Act, 1956, subject to fulfilment of conditions stipulated in the circular. The Company has satisfied the conditions stipulated in the circular and hence is entitled to the exemption.

**b)** Necessary information relating to the subsidiaries has been included in the Consolidated Financial Statements.

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

As per our report attached

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

**Shantilal Daga**  
Partner  
Membership No. 11617

Place : Secunderabad  
Date : 29.05.2014

For and on behalf of Board of Directors

<b>Gautam Chand Jain</b>	Chairman & Managing Director
<b>Meka Yugandhar</b>	Director
<b>Vinayak Rao Juvvadi</b>	Director
<b>Mr. Thati Venkataswamy Chowdary</b>	Director
<b>Mahender Chand</b>	Director
<b>Prakash Chand Jain</b>	Director
<b>Rahul Jain</b>	Executive Director
<b>Dhanji Lakhamsi Sawla</b>	Director
<b>M Viswanatha Reddy</b>	Chief Financial Officer
<b>Sanjay Kumar Daga</b>	G.M. - Accounts
<b>Vinay Paruchuru</b>	Company Secretary

## POKARNA LIMITED

### INDEPENDENT AUDITOR'S REPORT

To  
The Board of Directors,  
Pokarna Limited.

We have audited the accompanying consolidated financial statements of **POKARNA LIMITED** ("the Company") and its subsidiary, which comprise the consolidated Balance Sheet as at March 31, 2014, and the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Consolidated Financial Statements**

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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

**(SHANTILAL DAGA)**  
M.No.11617  
Partner

Place: Hyderabad  
Date: 29.05.2014

**POKARNA LIMITED**  
**CONSOLIDATED FINANCIAL STATEMENTS**

**BALANCE SHEET**

Rupees in Lacs

	Notes	As at 31.03.2014	As at 31.03.2013
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2.1	620.08	620.08
Reserves & Surplus	2.2	1956.07	933.45
		<b>2576.15</b>	1553.53
<b>Non-Current Liabilities</b>			
Long-term Borrowings	2.3	20649.70	19507.44
Deferred Tax Liabilities (net)	2.8	-	517.16
Other Long-term Liabilities	2.4	1710.80	1303.63
Long-term Provisions	2.5	72.50	81.68
		<b>22433.00</b>	21409.91
<b>Current Liabilities</b>			
Short-term Borrowings	2.3	7052.99	5685.78
Trade Payables	2.6	2847.16	2227.86
Other Current Liabilities	2.4	6569.49	8281.45
Short-term Provisions	2.5	1161.03	2265.06
		<b>17630.67</b>	18460.15
<b>Total</b>		<b>42639.82</b>	41423.59
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets			
Tangible Assets	2.7	25828.21	27917.72
Intangible Assets	2.7	38.28	76.56
Capital Work-In-Progress		263.40	224.71
Deferred Tax Asset (net)	2.8	677.36	-
Long-term Loans and Advances	2.9	1107.12	796.06
Other Non-current Assets	2.10	56.55	3.11
		<b>27970.92</b>	29018.16
<b>Current Assets</b>			
Inventories	2.11	7990.38	6895.07
Trade Receivables	2.12	5326.76	3568.45
Cash and Bank Balances	2.13	653.08	1092.30
Short-term Loans and Advances	2.9	681.83	827.37
Other Current Assets	2.10	16.85	22.24
		<b>14668.90</b>	12405.43
<b>Total</b>		<b>42639.82</b>	41423.59
Significant Accounting Policies	1		
Notes on Financial Statements	2		
The accompanying notes are an integral part of financial statements			

As per our report attached

For and on behalf of Board of Directors

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

**Shantilal Daga**  
Partner  
Membership No. 11617

Place : Secunderabad  
Date : 29.05.2014

<b>Gautam Chand Jain</b>	Chairman & Managing Director
<b>Meka Yugandhar</b>	Director
<b>Vinayak Rao Juvvadi</b>	Director
<b>Mr. Thati Venkataswamy Chowdary</b>	Director
<b>Mahender Chand</b>	Director
<b>Prakash Chand Jain</b>	Director
<b>Rahul Jain</b>	Executive Director
<b>Dhanji Lakhamsi Sawla</b>	Director
<b>M Viswanatha Reddy</b>	Chief Financial Officer
<b>Sanjay Kumar Daga</b>	G.M. - Accounts
<b>Vinay Paruchuru</b>	Company Secretary

**POKARNA LIMITED**  
**CONSOLIDATED FINANCIAL STATEMENTS**

**STATEMENT OF PROFIT & LOSS**

Rupees in Lacs

	Notes	For The Year Ended 31.03.2014	For The Year Ended 31.03.2013
<b>INCOME</b>			
Revenue from Operations (gross)	2.14	23507.06	20802.98
Less :Excise Duty / Customs Duty		443.59	448.20
Revenue from Operations (net)		23063.47	20354.78
Other Income	2.15	107.23	512.24
<b>Total</b>		<b>23170.70</b>	<b>20867.02</b>
<b>EXPENSES</b>			
Cost of Raw Material and Components consumed	2.16	5690.29	5048.22
Purchase of Traded Goods	2.17	268.54	188.36
(Increase) / Decrease in Inventories of Finished Goods, Work-in-Progress and Traded Goods	2.18	(830.00)	(659.91)
Employee Benefits Expense	2.19	2500.17	2214.41
Other Expenses	2.20	10796.88	10072.06
<b>Total</b>		<b>18425.88</b>	<b>16863.14</b>
Earnings before Interest, Tax, Depreciation and Amortization		4744.82	4003.88
Depreciation and Amortization	2.21	2040.92	2230.22
Finance Costs	2.22	3176.70	3447.32
Profit/(Loss) Before Extraordinary items & Tax		(472.80)	(1673.66)
Extraordinary Items	2.23	747.63	1158.75
<b>Profit / (Loss) Before Tax</b>		<b>274.83</b>	<b>(514.91)</b>
<b>Tax Expenses</b>			
Current Tax		301.63	204.68
Deferred Tax		(1194.52)	(52.50)
Prior year tax		-	(2.81)
<b>Total Tax Expenses</b>		<b>(892.89)</b>	<b>149.37</b>
<b>Profit / (Loss) After Tax</b>		<b>1167.72</b>	<b>(664.28)</b>
Earnings Per Share - Basic & Diluted (in ₹)		18.83	(10.71)
(Par value of ₹10/- each)			
Significant Accounting Policies	1		
Notes on Financial Statements	2		
The accompanying notes are an integral part of financial statements			

As per our report attached

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

**Shantilal Daga**  
Partner  
Membership No. 11617

Place : Secunderabad  
Date : 29.05.2014

For and on behalf of Board of Directors

**Gautam Chand Jain**  
**Meka Yugandhar**  
**Vinayak Rao Juvvadi**  
**Mr. Thati Venkataswamy Chowdary**  
**Mahender Chand**  
**Prakash Chand Jain**  
**Rahul Jain**  
**Dhanji Lakhamsi Sawla**  
**M Viswanatha Reddy**  
**Sanjay Kumar Daga**  
**Vinay Paruchuru**

Chairman & Managing Director  
Director  
Director  
Director  
Director  
Director  
Executive Director  
Director  
Chief Financial Officer  
G.M. - Accounts  
Company Secretary

**POKARNA LIMITED**  
**CONSOLIDATED FINANCIAL STATEMENTS**

**CASH FLOW STATEMENT**

Rupees in Lacs

	<b>For The Year Ended 31.03.2014</b>	For The Year Ended 31.03.2013
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit before tax and Extraordinary Items</b>	<b>(472.80)</b>	(1673.66)
Adjustments:		
Depreciation and amortization expense	<b>2040.92</b>	2230.22
Loss/(profit) on sale of fixed assets	<b>29.13</b>	(37.47)
Unrealized foreign exchange (gain) / loss, net	<b>348.38</b>	452.42
Provision for Doubtful Debts	<b>0.11</b>	(42.86)
Interest expense	<b>3176.70</b>	3447.32
Interest income	<b>(57.46)</b>	(48.51)
<b>Operating profit before working capital changes</b>	<b>5064.98</b>	4327.46
Changes in working capital and other provisions:		
Trade receivables	<b>(1716.72)</b>	270.36
Inventories	<b>(1095.31)</b>	(464.57)
Loans and advances and other assets	<b>(168.47)</b>	(410.62)
Other Liabilities and provisions	<b>(3390.36)</b>	(2887.02)
<b>Cash generated from operations</b>	<b>(1305.88)</b>	835.61
Income taxes paid, net	<b>(229.31)</b>	(56.32)
<b>Net cash provided by operating activities</b>	<b>(1535.19)</b>	779.29
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets and changes in capital work in progress	<b>(555.87)</b>	(1016.57)
Proceeds from sale of fixed assets	<b>32.23</b>	77.95
Interest income	<b>57.46</b>	48.51
<b>Net cash used in investing activities</b>	<b>(466.18)</b>	(890.11)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Bank Borrowings	<b>3669.81</b>	577.29
Other Borrowings	<b>(172.90)</b>	1631.29
Extraordinary Items (incl. ₹535.39 Lacs adjusted in fixed assets)	<b>1283.02</b>	1553.31
Interest expense	<b>(3176.70)</b>	(3447.32)
<b>Net cash generated in financing activities</b>	<b>1603.23</b>	314.57
Net Increase / (Decrease) in Cash and Cash Equivalents	<b>(398.14)</b>	203.75
<b>Cash and bank balances at the beginning of the year</b>	<b>699.41</b>	476.08
Effect of exchange gain on cash and cash equivalents	<b>(14.66)</b>	19.58
<b>Cash and bank balances at the end of the year</b>	<b>286.61</b>	699.41
Significant Accounting Policies	1	
Notes on Financial Statements	2	
The accompanying notes are an integral part of financial statements		

As per our report attached

For and on behalf of Board of Directors

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

**Shantilal Daga**  
Partner  
Membership No. 11617

Place : Secunderabad  
Date : 29.05.2014

<b>Gautam Chand Jain</b>	Chairman & Managing Director
<b>Meka Yugandhar</b>	Director
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<b>Rahul Jain</b>	Executive Director
<b>Dhanji Lakhamsi Sawla</b>	Director
<b>M Viswanatha Reddy</b>	Chief Financial Officer
<b>Sanjay Kumar Daga</b>	G.M. - Accounts
<b>Vinay Paruchuru</b>	Company Secretary

**POKARNA LIMITED**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

.....●.....

**1. Significant Accounting Policies**

**A. Basis of Preparation of Financial Statements**

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

The financial statements are prepared under the historical cost convention on accrual basis to comply in all material aspects and in accordance with generally accepted accounting principles (GAAP) in India and the relevant provisions of the Companies Act 1956 (to the extent applicable) and the provisions of the Companies Act, 2013 (to the extent notified). The accounting policies have been consistently applied by the Company unless otherwise stated.

**Principles of Consolidation**

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

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

**B. Other Significant Accounting Policies**

These are set out under “Significant Accounting Policies” as given in the Company’s separate financial statements.

**2. Notes to Financial Statements for the year ended 31 March 2014**

**A.** The Consolidated Financial Statements present the consolidated Accounts of Pokarna Limited with its wholly owned Indian subsidiary Pokarna Engineered Stone Limited.

**B.** Significant Accounting Policies and Notes to these Consolidated Financial Statements are intended to serve as a means of informative disclosure and a guide to better understanding the consolidated position of the Companies. Recognizing this purpose, the Company has disclosed only such Policies and Notes from the individual financial statements, which fairly present the needed disclosures.

	Rupees in Lacs	
	31.03.2014	31.03.2013
<b>2.1 Share Capital</b>		
Authorised:		
2,00,00,000 (2,00,00,000) Equity Shares		
of ₹10/- each	2000.00	2000.00
Issued, Subscribed and fully paid-up:		
62,00,800 (62,00,800) Equity Shares		
of ₹10/- each	620.08	620.08
<b>Total</b>	<b>620.08</b>	<b>620.08</b>
<b>a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period</b>		
<b>Equity Shares</b>	<b>No. of Shares</b>	<b>No. of shares</b>
At the beginning of the period	6200800	6200800
Issued during the period	-	-
Outstanding at the end of the period	6200800	6200800

**POKARNA LIMITED**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**2.2 Reserves and Surplus**

	31.03.2014		31.03.2013	
<b>Capital Subsidy</b>		15.00		15.00
<b>Share Premium</b>		73.96		73.96
<b>General Reserve</b>				
Balance at the Beginning of the Year	943.76		943.76	
Add: Transfer from Surplus	36.60	980.36	-	943.76
<b>FCCB Redemption Reserve</b>				
Opening Balance	4514.31		6138.78	
Less: Transferred to Surplus on redemption	3035.26	1479.05	1624.47	4514.31
<b>Surplus - Balance in Statement of Profit &amp; Loss</b>				
Opening Balance	(4613.58)		(5573.77)	
Add: Profit for the year	1167.72		(664.28)	
	(3445.86)		(6238.05)	
Add: Transferred from FCCB Redemption reserve on redemption	3035.26		1624.47	
Less: General Reserve	36.60		-	
Less: Proposed Dividend	124.02		-	
Less: Tax on proposed Dividend	21.08	(592.30)	-	(4613.58)
<b>Total</b>		<b>1956.07</b>		<b>933.45</b>

**2.3 Borrowings:**

**A. Long-term Borrowings**

	Non-current portion		Current maturities	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
<b>Secured</b>				
<b>Term Loans</b>				
Indian Rupee Loans from Banks	9763.70	11229.64	1963.41	1017.23
External Commercial Borrowing from Banks	2606.80	128.36	927.25	839.15
<b>Hire Purchase Loans</b>				
Banks	42.53	72.70	59.18	67.88
Others	176.00	412.07	352.83	284.71
<b>Unsecured</b>				
<b>Loans &amp; Advances from Related Parties</b>				
Loans from Directors	3810.27	3447.27	-	-
Inter Corporate Deposits	4250.40	4217.40	-	-
	20649.70	19507.44	3302.67	2208.97
Amount disclosed under the head "Other Current Liabilities" (Note.2.4(B))			(3302.67)	(2208.97)
<b>Total</b>	<b>20649.70</b>	<b>19507.44</b>	<b>-</b>	<b>-</b>

**B. Short term Borrowings**

<b>Secured</b>				
From Banks				
- Working Capital Loan			4827.60	3059.44
<b>Unsecured</b>				
From Others - Inter Corporate Deposit			2225.39	2626.34
<b>Total</b>			<b>7052.99</b>	<b>5685.78</b>

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	<u>31.03.2014</u>	<u>31.03.2013</u>
<b>2.4 Other Liabilities:</b>		
<b>A. Other Long-Term Liabilities</b>		
Security Deposits	60.00	60.00
Interest accrued but not due on borrowings	1650.80	1243.63
<b>Total</b>	<b>1710.80</b>	<b>1303.63</b>
<b>B. Other Current Liabilities</b>		
Advance from Customers	223.93	209.70
Creditors for Capital Expenditure	475.14	444.31
Zero Coupon Foreign Currency Convertible Bonds	1479.06	4514.31
Current Maturities of Long Term Borrowings (refer note.2.3(A))	3302.67	2208.97
Interest accrued but not due on borrowings	36.49	12.19
Interest accrued and due on borrowings	212.30	61.84
Statutory Liabilities	120.80	151.32
Unpaid Dividend	3.47	6.31
Other Liabilities	715.63	672.50
<b>Total</b>	<b>6569.49</b>	<b>8281.45</b>
<b>2.4.1</b> Zero coupon Foreign Currency Convertible Bonds (12,000 Bonds of USD 1000 each), which were matured for payment on 29th March,2012, the company has redeemed 9539 bonds as on date and the balance 2461 bonds are under negotiation for redemption with the Bond Holders as on date of Balance Sheet.		
<b>2.5 Provisions:</b>		
<b>A. Long-term Provisions</b>		
Provision for Employee Benefits		
Provision for Gratuity	47.29	57.44
Provision for Leave Benefit	25.21	24.24
<b>Total</b>	<b>72.50</b>	<b>81.68</b>
<b>B. Short-term Provisions</b>		
Provision for Gratuity	6.12	5.98
Provision for Leave Benefit	50.00	45.53
Provision for Premium on FCCB's	658.18	2008.87
Provision for Tax	301.63	204.68
Provision for Proposed Dividend	124.02	-
Provision for tax on proposed Dividend	21.08	-
<b>Total</b>	<b>1161.03</b>	<b>2265.06</b>
<b>2.6 Trade Payables</b>		
Trade Payables	2847.16	2227.86
<b>Total</b>	<b>2847.16</b>	<b>2227.86</b>

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**Notes - 2.7**

**Fixed Assets**

Description	Gross Block				Depreciation		Net Block	
	As on	Additions	Deletions	As on	Upto	For the	As on	As on
	01.04.2013			31.03.2014	31.03.2013	Period	31.03.2014	31.03.2013
<b>Tangible Assets:</b>								
Land - Freehold	486.30	-	-	486.30	-	-	-	486.30
Land - Leasehold	1186.55	-	-	1186.55	204.13	35.96	240.09	946.46
Buildings	746.18	0.19	15.39	730.98	41.25	12.19	53.44	677.54
Factory & Quarry Buildings	6173.73	72.47	93.17	6153.03	1072.63	198.97	1271.60	4881.43
Plant & Machinery	28015.73	246.64	503.22	27759.15	8481.44	1607.30	10037.98	17721.17
Vehicles	701.32	108.73	83.47	726.58	344.23	65.27	343.10	383.48
Furniture & Fixtures	896.91	29.63	42.33	884.21	309.65	61.27	354.55	529.66
Office Equipment	309.04	59.52	-	368.56	144.71	21.68	166.39	202.17
<b>Total -(A)</b>	<b>38515.76</b>	<b>517.18</b>	<b>737.58</b>	<b>38295.36</b>	<b>10598.04</b>	<b>2002.64</b>	<b>12467.15</b>	<b>25828.21</b>
<b>Intangible Assets:</b>								
Trade Marks & Brand Names	382.80	-	-	382.80	306.24	38.28	344.52	38.28
<b>Total - (B)</b>	<b>382.80</b>	<b>-</b>	<b>-</b>	<b>382.80</b>	<b>306.24</b>	<b>38.28</b>	<b>344.52</b>	<b>38.28</b>
<b>Total - (A+B)</b>	<b>38898.56</b>	<b>517.18</b>	<b>737.58</b>	<b>38678.16</b>	<b>10904.28</b>	<b>2040.92</b>	<b>12811.67</b>	<b>25866.49</b>
Previous Year	38597.93	1170.48	869.85	38898.56	9108.87	2230.22	10904.28	27994.28

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

2.7.2 Land in possession and occupation includes 45.37 Acres in respect of which conveyance / lease deeds are pending for execution. The company has paid ₹66.26 Lacs as an advance consideration and the same is disclosed under the head 'Long Term Loans & Advances'.

2.7.3 The gross block of fixed assets have been adjusted by ₹535.39 Lacs (p.y 394.56 Lacs), equivalent to gain / benefit on redemption of FCCB's at a discounted price.

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	31.03.2014	31.03.2013
<b>2.8 Deferred Tax Asset (Net)</b>		
<b>Deferred Tax Asset</b>		
Carryover Losses	1930.23	7.92
Provision for Doubtful Debts	8.33	-
	<u>1938.56</u>	<u>7.92</u>
<b>Deferred Tax Liabilities</b>		
Depreciation	1261.20	525.08
	<u>1261.20</u>	<u>525.08</u>
<b>Total</b>	<u>677.36</u>	<u>(517.16)</u>
<b>2.9 Loans &amp; Advances</b>		
<b>A. Long-Term Loans and Advances</b>		
Unsecured, considered good unless stated otherwise		
Capital Advances	442.62	166.33
Security Deposit	504.88	538.81
Advances recoverable in cash or kind	159.62	90.92
<b>Total</b>	<u>1107.12</u>	<u>796.06</u>
<b>B. Short-Term Loans and Advances</b>		
Unsecured, considered good unless stated otherwise		
Advances recoverable in cash or kind	290.05	386.07
Cenvat Credit Receivable	17.45	6.76
Balance with Customs & Excise Authorities	0.10	64.97
Advance for Raw Material	197.93	219.20
Advance Income Tax	64.55	39.92
Prepaid Expenses	111.75	110.44
Loans to Employees	-	0.01
<b>Total</b>	<u>681.83</u>	<u>827.37</u>
<b>2.10 Other Assets</b>		
<b>A. Other Non-Current Assets</b>		
Unsecured, considered good unless stated otherwise		
Non-current Bank Balances		
Deposits with maturity for more than 12 months		
Margin Money deposits	53.90	3.01
Interest accrued on fixed deposits	2.65	0.10
<b>Total</b>	<u>56.55</u>	<u>3.11</u>
<b>B. Other Current Assets</b>		
Unsecured, considered good unless stated otherwise		
Interest accrued on fixed deposits	16.85	22.24
<b>Total</b>	<u>16.85</u>	<u>22.24</u>

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	31.03.2014	31.03.2013
<b>2.11 Inventories</b>		
Raw Material (includes in transit ₹18.35 Lacs (₹21.05 Lacs))	985.94	796.26
Work-in-progress	821.39	466.41
Finished Goods	5135.50	4577.69
Traded Goods (includes in transit ₹Nil Lacs (₹2.18 Lacs))	64.04	146.83
Consumables,Stores & Spares (incl. in transit ₹0.25 Lacs (₹3.70 Lacs))	931.58	829.52
Packing Material	51.93	78.36
<b>Total</b>	<b>7990.38</b>	<b>6895.07</b>

**2.12 Trade Receivables**

Unsecured, considered good unless stated otherwise

Outstanding for a period exceeding six months from the date they are due for payment

Considered good	562.13	404.21
Doubtful	24.51	24.40
	<b>586.64</b>	<b>428.61</b>
Provision for doubtful receivables	24.51	24.40
	<b>562.13</b>	<b>404.21</b>
Other receivables	4764.63	3164.24
<b>Total</b>	<b>5326.76</b>	<b>3568.45</b>

**2.13 Cash and Bank Balances**

	Non-current		Current	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
Cash and Cash Equivalents				
Balances with Banks			112.58	594.79
Deposits - Margin Money				
with maturity less than three months			160.56	85.35
In unpaid Dividend Account			3.47	6.31
Cash in Hand			10.00	12.96
Other Bank Balances			286.61	699.41
Deposits - Margin Money				
with maturity for more 3 months but less than 12 months			366.47	392.89
with maturity for more than 12 months	53.90	3.01		
Amount disclosed under the head "Other Non-Current Assets" (Note.2.10(A))	(53.90)	(3.01)		
<b>Total</b>	<b>-</b>	<b>-</b>	<b>653.08</b>	<b>1092.30</b>

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	31.03.2014	31.03.2013
<b>2.14 Revenue from Operations</b>		
Sale of Products		
Finished Goods	22955.95	20417.87
Traded Goods	498.20	313.54
	23454.15	20731.41
Sale of Services	14.33	29.51
Other Operating Income		
Scrap Sales	38.58	42.06
Revenue from Operations (Gross)	23507.06	20802.98
<b>Details of Products Sold</b>		
<b>Finished Goods Sold</b>		
Finished Granite	11826.14	9685.06
Raw Granite	3783.94	4435.39
Apparel	1102.32	1361.51
Quartz Surfaces	6243.55	4935.91
	22955.95	20417.87
<b>Traded Goods Sold</b>		
Finished Granite	160.99	97.70
Raw Granite	9.31	4.04
Apparel	59.54	67.18
Fabric	268.36	144.62
	498.20	313.54
<b>Total</b>	23454.15	20731.41
Details of Services Rendered		
Job work Charges	14.33	29.51
<b>Total</b>	14.33	29.51
<b>2.15 Other Income</b>		
Interest income on		
Bank Deposits	44.28	35.68
Others	13.18	12.83
Commission Income	0.40	0.25
Foreign Exchange Gain	-	322.89
Miscellaneous Income	0.96	38.67
Bad Debts Recovered	8.41	-
Profit on Sale of Asset	-	52.12
Hire Charges Received	40.00	49.80
<b>Total</b>	107.23	512.24

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	31.03.2014	31.03.2013
<b>2.16 Cost of Raw Material and Components consumed</b>		
Opening Stock	845.80	1169.41
Add: Purchases	5880.00	4724.61
	6725.80	5894.02
Less: Closing Stock	1035.51	845.80
<b>Total</b>	5690.29	5048.22
<b>Details of Raw Material and Components consumed</b>		
Raw Granite	2394.11	2334.03
Fabric	280.43	425.16
Quartz etc.,	2986.32	2256.80
Consumables	29.43	32.23
<b>Total</b>	5690.29	5048.22
<b>Details of Inventory</b>		
Raw Granite	593.21	385.50
Fabric	95.15	173.72
Quartz etc.,	297.58	237.03
Consumables	49.57	49.55
<b>Total</b>	1035.51	845.80
<b>2.17 Details of Purchase of Traded Goods</b>		
Finished Granite	88.57	57.09
Raw Granite	-	3.78
Apparel	22.35	51.32
Fabric	157.62	76.17
<b>Total</b>	268.54	188.36

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	31.03.2014	31.03.2013
<b>2.18 (Increase) / Decrease in Inventories</b>		
<b>Opening Stock</b>		
Finished Goods	4374.99	3856.00
Work-in-Process	466.41	409.10
Raw Granite	202.70	114.36
Traded Goods	146.83	151.56
	<u>5190.93</u>	<u>4531.02</u>
<b>Less: Closing Stock</b>		
Finished Goods	4805.99	4374.99
Work-in-Process	821.39	466.41
Raw Granite	329.51	202.70
Traded Goods	64.04	146.83
	<u>6020.93</u>	<u>5190.93</u>
<b>Total</b>	<u>(830.00)</u>	<u>(659.91)</u>
<b>Details of Inventory</b>		
<b>Traded Goods</b>		
Raw Granite	-	2.18
Apparel	42.12	74.05
Fabric	21.92	70.60
<b>Total</b>	<u>64.04</u>	<u>146.83</u>
<b>Work-In-Progress</b>		
Finished Granite	92.49	75.73
Apparel	48.89	18.51
Quartz Surfaces	680.01	372.17
<b>Total</b>	<u>821.39</u>	<u>466.41</u>
<b>Finished Goods</b>		
Finished Granite	1184.68	1108.85
Raw Granite	329.51	202.70
Apparel	226.73	672.17
Quartz Surfaces	3394.58	2593.97
<b>Total</b>	<u>5135.50</u>	<u>4577.69</u>
<b>2.19 Employee Benefit Expenses</b>		
Salaries, Wages, Bonus & Allowances	2160.94	1840.09
Contribution to Provident Fund and Other Fund	138.80	137.33
Retirement Benefits	6.98	75.70
Staff Welfare Expenses	193.45	161.29
<b>Total</b>	<u>2500.17</u>	<u>2214.41</u>

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	31.03.2014	31.03.2013
<b>2.20 Other Expenses</b>		
Consumption of Stores & Spares	2970.01	2554.41
Other processing & Job work expenses	459.16	311.98
Power and Fuel	2068.59	2021.24
Repairs and Maintenance:-		
- Plant and Machinery	132.38	97.93
- Building	22.46	18.23
- Others	62.63	16.86
Cutter and Driller Charges	431.31	446.81
Royalty on Quarry Land	24.59	45.84
Rent	343.20	436.98
Rates and Taxes	54.05	46.98
Insurance	118.45	139.13
Communication Charges	43.37	40.20
Printing & Stationery	22.05	22.70
Travelling & Conveyance Expenses	235.50	217.57
Electricity Charges	66.78	60.87
Vehicle Maintenance	119.50	104.47
Auditors Remuneration	6.56	7.44
Advertisement	4.76	17.96
Legal and Professional Charges	122.42	179.96
Directors Sitting Fees	2.30	3.88
Donations	10.66	12.98
Fees & Subscriptions	8.41	7.30
Government Royalty and Dead Rent	654.36	774.85
Carriage Outwards	1158.88	1133.88
Sales Commission	44.30	73.81
Discounts and Claims	328.90	260.85
Business Promotion Expenses	365.36	373.53
Packing Material	383.94	317.04
Bad Debts Written off	-	108.57
Provision for Doubtful Debts	0.11	(42.86)
Excise Duty-Others	28.54	(27.24)
Sales Tax	170.31	146.80
Bank Charges	125.02	88.91
Foreign Exchange Loss	139.38	-
Impairment / Loss on sale of assets	29.13	14.65
Miscellaneous Expenses	39.51	37.55
<b>Total</b>	<b>10796.88</b>	<b>10072.06</b>

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	31.03.2014	31.03.2013
<b>2.21 Depreciation &amp; Amortization</b>		
Depreciation of tangible assets	2002.64	2191.94
Amortization on intangible assets	38.28	38.28
<b>Total</b>	<b>2040.92</b>	<b>2230.22</b>
<b>2.22 Finance Costs</b>		
Interest on Borrowings:		
- Banks	2027.59	1944.70
- Others	930.66	847.78
Cost on variable coupon on restatement of FCCB	218.45	654.84
<b>Total</b>	<b>3176.70</b>	<b>3447.32</b>
Cost on variable coupon on restatement of FCCB		

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

**2.23 Extra-ordinary Items**

Zero coupon Foreign Currency Convertible Bonds (12,000 FCCB's of USD face value of 1000 each) issued were matured on 29.03.2012. During the year 5839 bonds were redeemed at a negotiated price. The resulting gain / benefits of ₹747.63 Lacs has arisen due to redemption at a discounted price.

**2.24 1. Contingent Liabilities not provided for**

Particulars		
a. Bank Guarantees	1.22	5.72
b. Letter of Credits outstanding	319.11	411.54
c. Bond-Cum-Legal Undertaking for Special Economic Zone Unit made in favour of President of India	6250.00	6250.00
Claims against the company / disputed liabilities not acknowledged as debts:		
d. Income tax matters, pending decisions on various appeals made by the company and by the Department. Amount deposited ₹12.47 Lacs (previous year ₹12.47 Lacs)	27.76	27.76
e. Excise matters (including service tax). Amount deposited ₹5.57 Lacs (previous year ₹5.71 Lacs)	233.60	231.67
f. Customs matters, Amount deposited ₹37.09 Lacs (previous year ₹40.84 Lacs)	75.91	79.66
g. Sales tax matters, Amount deposited ₹Nil (previous year ₹Nil Lacs)	-	61.50
h. Mines & Geology matters	138.20	138.20
i. Cross subsidy charges payable to Central Power Distribution Company	61.60	61.60
j. Fuel Surcharge adjustment (FSA) claim to the extent billed by Power distribution Companies of AP	0.85	0.85
k. Other Matters disputed	169.08	157.98

Other Commitments:

l. Company remains exposed to liability towards fuel surcharge adjustment, which are notified by Power Distribution Companies of Andhra Pradesh pertaining to earlier years, which are being adjusted in future tariff payable for consumption. Accordingly charges are accounted in the year of payment / bill raised for the same.

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- m. The company is also involved in other lawsuits, claims, investigations and proceedings, including patent and commercial matters, which arise in the ordinary course of business. However, there are no material claims on such cases.
- n. Company gives warranty on certain products, undertaking to repair or replace the products that fail to perform satisfactorily during the warranty period. However, as on date there exists no material claims.

**2. Capital Commitments**

Estimated Amount of contracts remaining to be executed on Capital Account not provided for	<b>713.03</b>	161.33
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**2.25 Deferred Tax**

<b>Particulars</b>	<b>31.03.2014</b>	31.03.2013
<b>Deferred Tax Asset</b>		
Depreciation	-	66.41
Carryover Losses	<b>1930.23</b>	-
Provision for Debtors	<b>0.41</b>	-
<b>Total</b>	<b>1930.64</b>	66.41
<b>Deferred Tax Liability</b>		
Depreciation	<b>736.12</b>	-
Provision for Debtors	-	13.91
<b>Total</b>	<b>736.12</b>	13.91
<b>Net Deferred Tax Asset</b>	<b>1194.52</b>	52.50

**2.25.1** The Subsidiary Pokarna Engineered Stone Limited is eligible for tax exemption u/s.10AA of the Income Tax Act, 1961 in respect of its unit in Special Economic Zone. Deferred Tax is recognised in respect of timing differences, which originate during the tax holiday period but reverse after the tax holiday period. Deferred tax assets against unabsorbed depreciation and carry forward losses under tax laws have been recognised to the extent that there is a virtual certainty of sufficient future taxable income will be available against which such deferred tax assets would be realised.

**2.26 Related Party Transactions**

- a) Names of the Associate concerns:  
Pokarna Fabrics Limited, Pokarna Fashions Limited, Pokarna Marketing Limited
- b) Names of the Associate Firms:  
Southend, Southend Extension
- c) Names of Key Management Personnel  
Gautam Chand Jain, Rahul Jain
- d) Names of Relatives  
Prakash Chand Jain, Ashok Chand Jain, Raaj Kumar Jain, Apoorva Jain, Neha Jain (Arrush Creations), Nidhi Jain, , Suvidh Chordia
- e) Disclosure of transactions between the company and related parties and the status of Outstanding balances for the year **2013-14** (2012-13)

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Nature of the Transaction	Associates	Key Management Personnel	Relatives	Total
Purchase of Goods	19.51 (26.75)	-	15.41 -	34.92 (26.75)
Sale of Goods	477.52 (306.00)	-	29.33 (0.07)	506.85 (306.07)
Remuneration paid to Directors	-	68.47 (35.99)	-	68.47 (35.99)
Salaries	-	-	10.86 -	10.86 -
Rent paid	31.02 (31.02)	-	15.78 (15.78)	46.80 (46.80)
Interest Payable	452.42 (371.28)	-	-	452.42 (371.28)
Loan Received	37.85 (72.50)	-	416.00 (250.00)	453.85 (514.50)
Loan Repaid	4.85 -	26.00 (119.85)	27.00 (40.00)	57.85 (159.85)
Balances as at 31/03/14- Receivable	213.75 (126.34)	-	45.62 (12.68)	259.37 (139.02)
Balances as at 31/03/14 – Payables	5956.33 (5531.30)	2867.70 (2905.70)	1045.31 (598.50)	9869.34 (9035.50)

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

- Purchase of goods include Pokarna Fabrics Limited ₹ 12.44 Lacs (previous year ₹26.61 Lacs), Pokarna Marketing Limited ₹5.34 Lacs (previous year ₹0.04 Lacs), Pokarna Fashions Limited ₹1.73 Lacs (previous year ₹0.10 Lacs), Aarush Creations ₹ 15.41 Lacs (previous year Nil Lacs)
- Sales of goods/ services include to Pokarna Fashions Limited ₹339.74 Lacs ( previous year ₹280.50 Lacs), Pokarna Fabrics Limited ₹0.07 Lacs (previous year ₹0.09 Lacs), Pokarna Marketing Limited ₹105.07 Lacs (previous year ₹Nil Lacs), Southend ₹8.28 Lacs (previous year ₹10.80 Lacs), Southend Extension ₹24.36 Lacs (previous year ₹14.61 Lacs), Raaj Kumar Jain ₹Nil Lacs (previous year ₹0.07 Lacs), Suvidh Chordia ₹26.67 Lacs (previous year ₹Nil Lacs), Ashok Chand Jain ₹0.01 Lacs (previous year ₹Nil Lacs), Arrush Creations ₹2.65 Lacs ( previous year ₹Nil Lacs)
- Remuneration paid includes to Gautam Chand Jain ₹40.34 Lacs (previous year ₹23.99 Lacs), Rahul Jain ₹28.13 Lacs (previous year ₹12.00 Lacs)
- Salary include to Apoorva Jain for the year ₹ 5.43 Lacs (Previous year ₹ Nil Lacs), Nidhi Jain for the year ₹ 5.43 Lacs (Previous year ₹ Nil Lacs)
- Rent paid to Pokarna Fabrics Limited ₹31.02 Lacs (previous year ₹31.02 Lacs), Rekha Jain ₹15.78 Lacs (previous year ₹15.78 Lacs)
- Interest payable to Pokarna Fabrics Limited ₹323.91 Lacs (previous year ₹317.88 Lacs), Pokarna Marketing Limited ₹128.51 Lacs (previous year ₹53.4 Lacs)
- Loan received includes from Pokarna Fabrics Limited ₹37.85 Lacs (previous year ₹72.5 Lacs), Gautam Chand Jain ₹Nil Lacs (previous year ₹192.00 Lacs), Prakash Chand Jain ₹416.00 Lacs (previous year ₹250.00 Lacs)

**POKARNA LIMITED**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

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8. Loan repaid to Pokarna Fabrics Limited ₹4.85 Lacs (previous year ₹Nil Lacs), Gautam Chand Jain ₹26.00 Lacs (previous year ₹82.50 Lacs), Rahul Jain ₹Nil Lacs (previous year ₹37.35 Lacs), Prakash Chand Jain ₹27.00 Lacs (previous year ₹40.00 Lacs)
9. Receivables include from Pokarna Fashions Limited ₹204.37 Lacs (previous year ₹126.34 Lacs), Pokarna Marketing Limited ₹9.38 Lacs (previous year ₹Nil Lacs), Raaj Kumar Jain ₹12.68 Lacs (previous year ₹12.68 Lacs), Suvidh Chordia ₹26.67 Lacs (previous year ₹Nil Lacs), Arrush Creations ₹6.27 Lacs (previous year ₹Nil Lacs)
10. Payables include to Pokarna Fabrics Limited ₹ 4768.88 Lacs (previous year ₹4462.14 Lacs), Pokarna Marketing Limited ₹1138.05 Lacs (previous year ₹1026.41 Lacs), Pokarna Fashions Limited ₹35.00 Lacs (previous year ₹35.00 Lacs), Southend Extension ₹14.40 Lacs (previous year ₹7.75 Lacs), Gautam Chand Jain ₹1949.45 Lacs (previous year ₹1975.45 Lacs), Rahul Jain ₹918.25 Lacs (previous year ₹930.25 Lacs), Prakash Chand Jain ₹987.50 Lacs (previous year ₹598.50 Lacs), Rekha Jain ₹ 14.37 Lacs (previous year ₹Nil Lacs), Nidhi Jain ₹5.43 Lacs (previous year ₹Nil Lacs), Apoorva Jain ₹5.43 Lacs (previous year ₹Nil Lacs), Arrush Creations ₹32.58 Lacs (previous year ₹Nil Lacs)

**2.27 Earnings Per Share (EPS)**

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

<b>Particulars</b>	<b>31.03.2014</b>	<b>31.03.2013</b>
Basic / Diluted Earnings Per Share		
Numerator for Basic earnings per share:		
Profit attributable to the Equity Share Holders	<b>1167.72</b>	(664.28)
Denominator for Basic earnings per share:		
Basic / Weighted Average number of shares	<b>6200800</b>	6200800
Basic Earnings Per Share (in ₹)	<b>18.83</b>	(10.71)

**POKARNA LIMITED**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**2.28 Segment Reporting**

Disclosure of segment reporting for the year 2013-14 (2012-13):

**(a) Information about Primary Business Segments:**

Description	Granite	Apparel	Quartz Surfaces	Total
Sales to External Customers	<b>15489.92</b> (14069.64)	<b>1424.10</b> (1530.72)	<b>6149.45</b> (4754.42)	<b>23063.47</b> (20354.78)
Inter Segment Sales	<b>0.21</b> (1.99)	<b>8.01</b> -	- -	<b>8.22</b> (1.99)
<b>Total Revenue</b>	<b>15490.13</b> (14071.63)	<b>1432.11</b> (1530.72)	<b>6149.45</b> (4754.42)	<b>23071.69</b> (20356.77)
<b>Segment Results</b>				
Profit / (Loss)	<b>2910.05</b> (2385.12)	<b>(1184.45)</b> 860.75	<b>978.30</b> (249.29)	<b>2703.90</b> (1773.66)
Interest Expenses				<b>3176.70</b> (3447.32)
Income Tax				<b>(892.89)</b> (149.37)
Extra ordinary Items				<b>747.63</b> (1158.75)
Profit After Tax				<b>1167.72</b> (664.28)
<b>Other Segment Information:</b>				
Capital Expenditure	<b>441.16</b> (953.41)	<b>56.13</b> (35.70)	<b>58.57</b> (27.46)	<b>555.86</b> (1016.57)
Depreciation	<b>720.37</b> (648.47)	<b>252.50</b> (257.23)	<b>1068.05</b> (1324.52)	<b>2040.92</b> (2230.22)
<b>Particulars of Segment Assets and Liabilities:</b>				
Segment Assets	<b>16043.12</b> (15049.31)	<b>4179.29</b> (5106.14)	<b>25466.70</b> (24165.13)	<b>45689.11</b> (44320.58)
Unallocated Assets	<b>6115.88</b> (6115.88)	- -	- -	<b>6115.88</b> (6115.88)
Segment Liabilities	<b>9397.64</b> (6348.92)	<b>6074.59</b> (6363.87)	<b>32267.56</b> (31645.83)	<b>47739.79</b> (44358.62)
Unallocated Liabilities	<b>1479.05</b> (4514.31)	- -	- -	<b>1479.05</b> (4514.31)

**POKARNA LIMITED**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**(b) Information about Secondary Segments – Geographical**

Revenue attributable to location of customers is as follows

Country	31.03.2014				31.03.2013			
	Granite	Apparel	Quartz Surfaces	Total	Granite	Apparel	Quartz Surfaces	Total
U S A	4935.73	-	4403.94	9339.67	3634.24	-	2936.23	6570.47
Europe	2052.28	-	171.26	2223.54	2625.33	-	174.02	2799.35
Asia	2317.05	-	-	2317.05	1712.62	-	-	1712.62
India	4822.62	1432.11	372.91	6627.64	4710.72	1530.72	819.53	7060.97
Australia	72.74	-	6.04	78.78	21.16	-	-	21.16
Rest of the world	1289.71	-	1195.30	2485.01	1367.56	-	824.64	2192.20
<b>Total</b>	<b>15490.13</b>	<b>1432.11</b>	<b>6149.45</b>	<b>23071.69</b>	<b>14071.63</b>	<b>1530.72</b>	<b>4754.42</b>	<b>20356.77</b>

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

**Notes:**

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

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

<p>As per our report attached</p> <p>For <b>S. Daga &amp; Co.</b> Chartered Accountants (F.No. 000669S)</p> <p><b>Shantilal Daga</b> Partner Membership No. 11617</p> <p>Place : Secunderabad Date : 29.05.2014</p>	<p>For and on behalf of Board of Directors</p> <p><b>Gautam Chand Jain</b> <b>Meka Yugandhar</b> <b>Vinayak Rao Juvvadi</b> <b>Mr. Thati Venkataswamy Chowdary</b> <b>Mahender Chand</b> <b>Prakash Chand Jain</b> <b>Rahul Jain</b> <b>Dhanji Lakhamsi Sawla</b> <b>M Viswanatha Reddy</b> <b>Sanjay Kumar Daga</b> <b>Vinay Paruchuru</b></p>	<p>Chairman &amp; Managing Director Director Director Director Director Director Executive Director Director Chief Financial Officer G.M. – Accounts Company Secretary</p>
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**FINANCIAL INFORMATION OF SUBSIDIARY COMPANY:**

<b>Name of the Subsidiary Company</b>		<b>Pokarna Engineered Stone Limited</b>	
Reporting currency			Rs.in Lacs
Financial year		<b>31.03.2014</b>	31.03.2013
1	Capital	<b>10.00</b>	10.00
2	Reserves	<b>(6810.86)</b>	(7490.70)
3	Total Assets	<b>25466.70</b>	24165.13
4	Total Liabilities	<b>25466.70</b>	24165.13
5	Investments	<b>Nil</b>	Nil
6	Turnover	<b>6149.45</b>	4754.42
7	Profit Before Taxation	<b>(449.17)</b>	(1028.79)
8	Provision for Taxation	<b>(1129.01)</b>	Nil
9	Profit After Taxation	<b>679.84</b>	(1028.79)
10	Proposed Dividend	<b>Nil</b>	Nil

**ATTENDANCE SLIP**

**Pokarna Limited**

CIN : **L14102TG1991PLC013299**

**Registered office:** 105, 1<sup>st</sup> Floor, Surya Towers , Sardar Patel Road, Secunderabad- 500 003

Tel: 040-27842182 Fax: 040-2784 2121

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

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL  
Joint shareholders may obtain additional Slip at the venue of the meeting.

DP Id \* ..... Folio No. ....

Client Id \* ..... No. of shares. ....

NAME AND ADDRESS OF THE SHAREHOLDER .....

.....

I hereby record my presence at the **23<sup>rd</sup> ANNUAL GENERAL MEETING** of the Company held on Monday, September 15<sup>th</sup>, 2014 at 10.30 a.m. at Hotel Vivanta, by Taj, opp. Hyderabad Public School, Begumpet, Hyderabad, Telangana State, India.

\*Applicable for investors holding shares in electronic form.

\_\_\_\_\_  
Signature of Shareholder/proxy



**PROXY FORM**

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

**Pokarna Limited**

CIN : **L14102TG1991PLC013299**

**Registered office:** 105, 1<sup>st</sup> Floor, Surya Towers , Sardar Patel Road, Secunderabad- 500 003

Tel: 040-27842182 Fax: 040-2784 2121

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

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

Registered address: ..... Folio No/\*Client Id: .....

\*DP Id: .....

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

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

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 23<sup>rd</sup> Annual General Meeting of the Company, to be held on Monday, September 15<sup>th</sup>, 2014 at 10.30 a.m. at Hotel Vivanta, by Taj, opp. Hyderabad Public School, Begumpet, Hyderabad, Telangana State, India

P.T.O.



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

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

S.No	Resolutions	For	Against
<b>Ordinary Business</b>			
1.	To receive, consider and adopt the audited standalone and consolidated financial statements of the Company for the financial year ended 31st March, 2014, the reports of the Board of Directors and Auditors of the Company thereon.		
2.	To declare dividend on Equity Shares of the Company for the financial year ended 31st March, 2014.		
3.	To appoint a Director in place of Mr. Rahul Jain ( <b>DIN: 00576447</b> ) designated as Executive Director, who retires by rotation and being eligible, offers himself for re-appointment.		
4.	To reappoint M/s. S. Daga & Co. ( <b>Registration no. 000669S</b> ), Chartered Accountants, Hyderabad as Statutory Auditors of the company, to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and authorize Board of Directors to fix their remuneration.		
<b>Special Business</b>			
5.	To appoint Ms. Apurva Jain ( <b>DIN: 06933924</b> ) as Whole-time Director of the company.		
6.	To appoint <b>Mr. Meka Yugandhar</b> as Independent director of the company.		
7.	To appoint <b>Mr. Vinayak Rao Juvvadi</b> as Independent director of the company.		
8.	To appoint <b>Mr. Thati Venkataswamy Chowdary</b> as Independent director of the company.		
9.	To appoint <b>Mr. Mahender Chand</b> as Independent director of the company.		
10.	To appoint <b>Mr. Dhanji Lakhamsi Sawla</b> as Independent director of the company.		
11.	To approve the remuneration payable to the Directors who are neither the Managing Directors nor the Whole Time Directors of the company.		
12.	Sanctioning of Borrowing limits up to Rs. 250 Crores under Section 180(1)(c) of the Companies, Act, 2013.		

Signed this ..... day of ..... 2014.

Affix  
Revenue  
Stamp

\_\_\_\_\_  
Signature of the shareholder

\_\_\_\_\_  
Signature of first Proxy holder

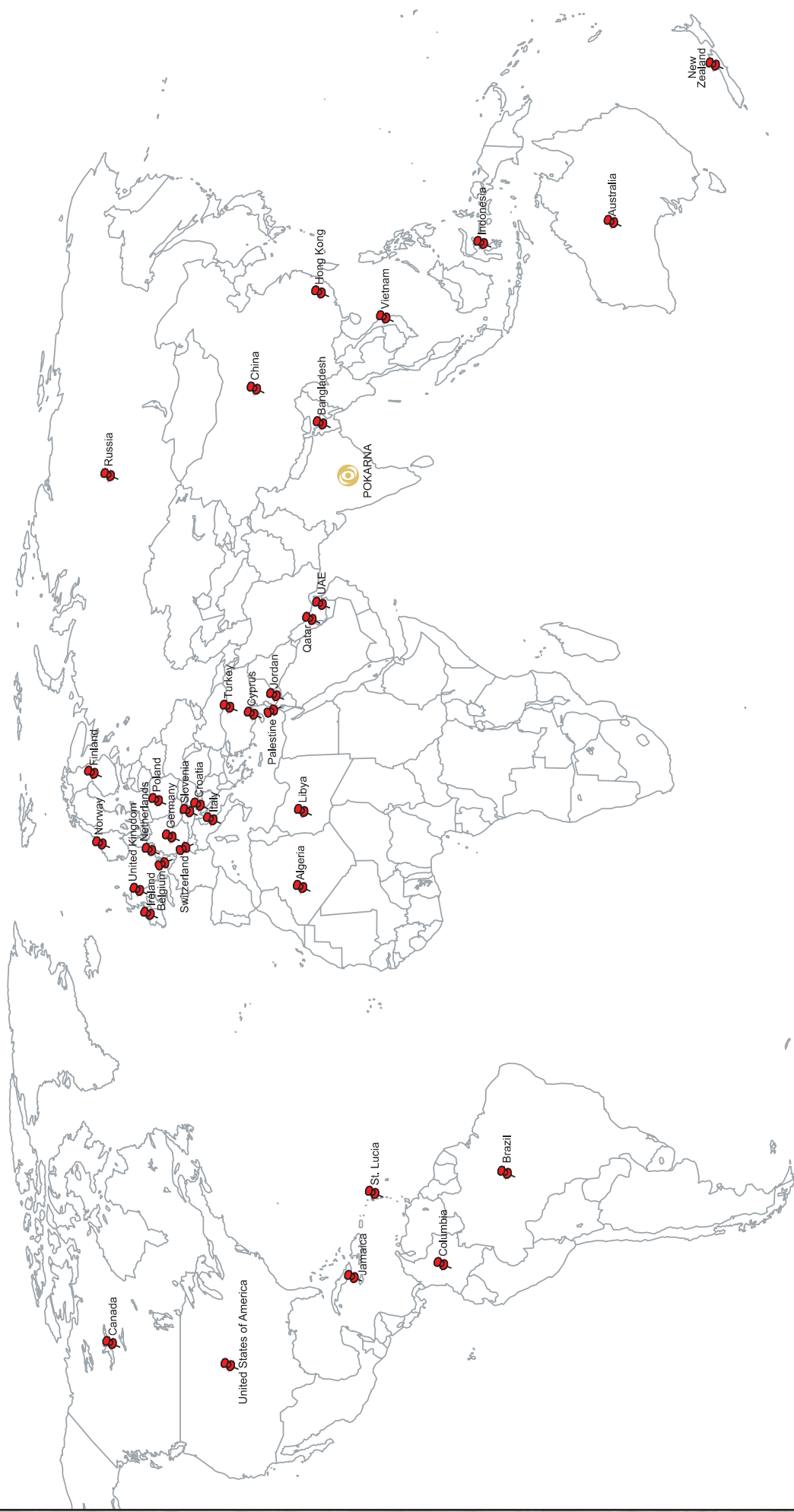
\_\_\_\_\_  
Signature of second Proxy holder

\_\_\_\_\_  
Signature of third Proxy holder

**NOTES:**

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

# GLOBAL REACH OF POKARNA



★ Includes Subsidiary's Reach  
★ Map not to scale

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## **Pokarna Limited**

Registered Office : 105, First floor, Surya Towers, Sardar Patel Road, Secunderabad 500 003, Telangana State, India.

CIN:L14102TG1991PLC013299, Tel:(+ 91-40) 2789 7722, 27896361, 2784 4101

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