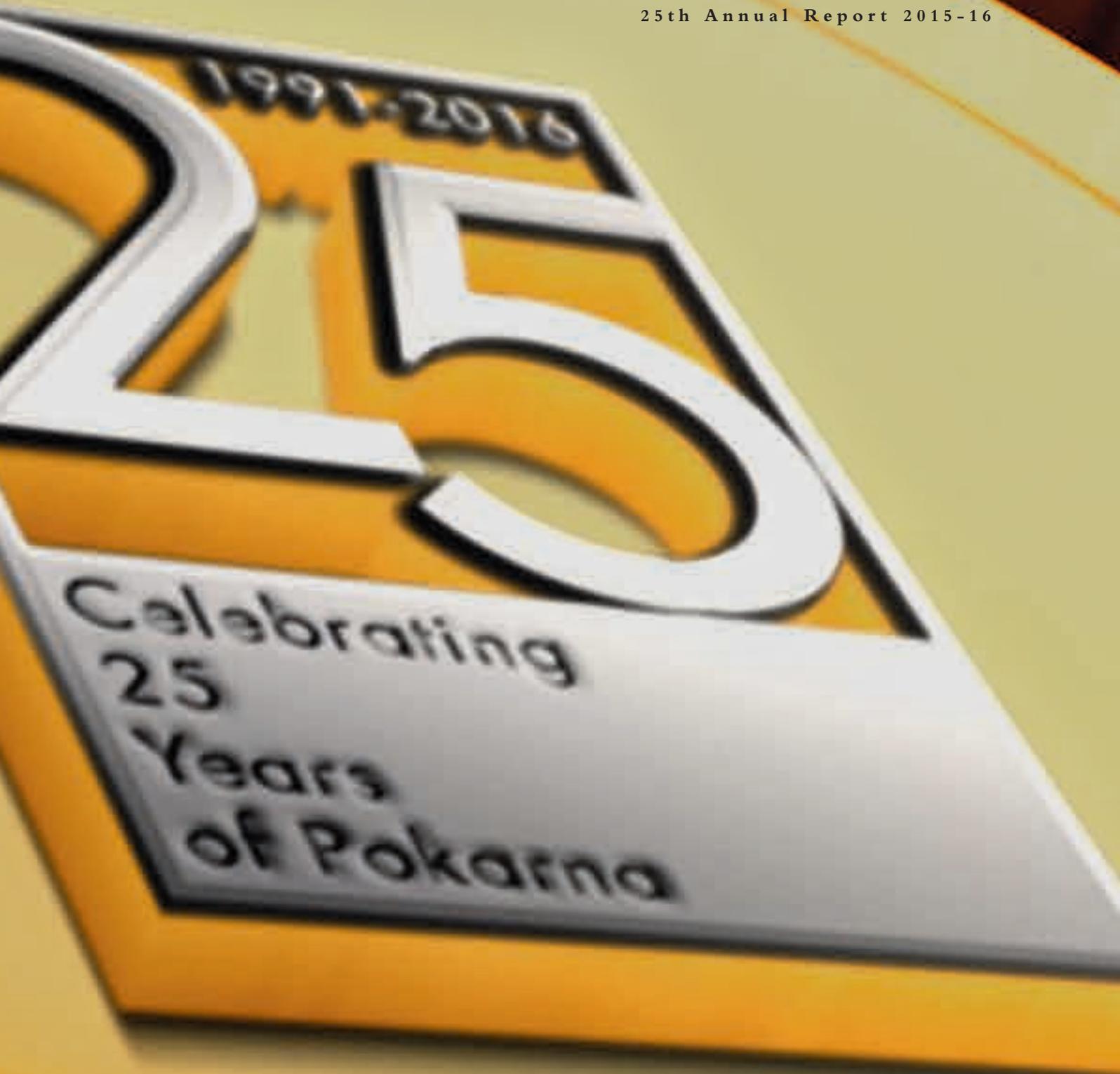


25th Annual Report 2015-16



POKARNA LIMITED





BROWN LEAF - QUANTRA QUARTZ SURFACE

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Forward Looking Statements

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.



**POKARNA.
TWENTY FIVE
ROCK SOLID
YEARS.**

For twenty five years, we've given you the
world's finest natural granite...
Now we also bring you the world's finest
natural quartz surfaces.

1991

The Journey started with the acquisition of a black galaxy granite quarry

F.Y. 1995-96

Listed on Hyderabad and Madras Stock Exchanges

1996

Acquired and turned around a sick granite processing unit

2000

Acquired and turned around another sick granite processing unit

2003

Crossed ₹ 100 crore topline

Listed on BSE

2004

Commenced commercial operations at apparel manufacturing facility and launched brand STANZA

2007

Listed FCCB's on SGX

2009

Commenced commercial production at Quartz surfaces and launched brand Quantra

2015

PESL crossed ₹ 100 cr topline

Retirement of FCCB's

2016

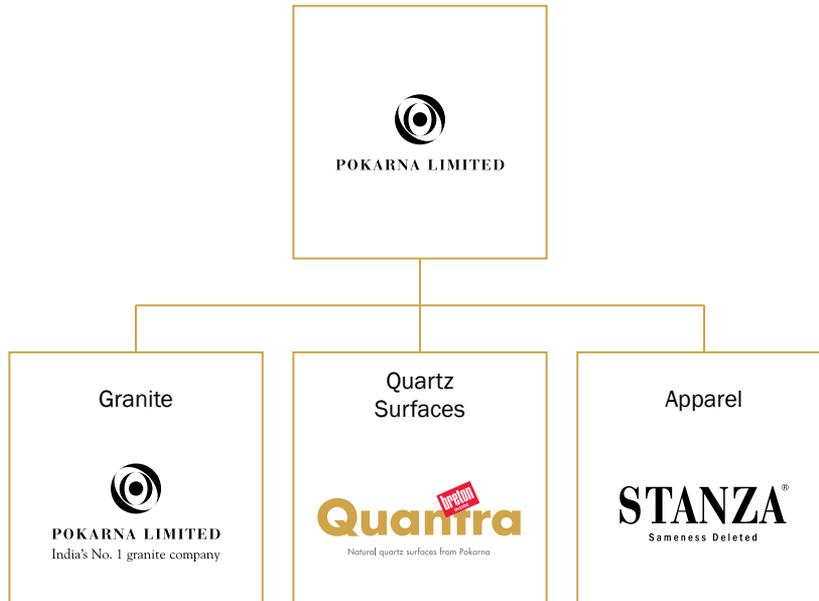
PESL crossed ₹ 200 crore topline

PESL seeks exit from CDR mechanism after remarkable turnaround

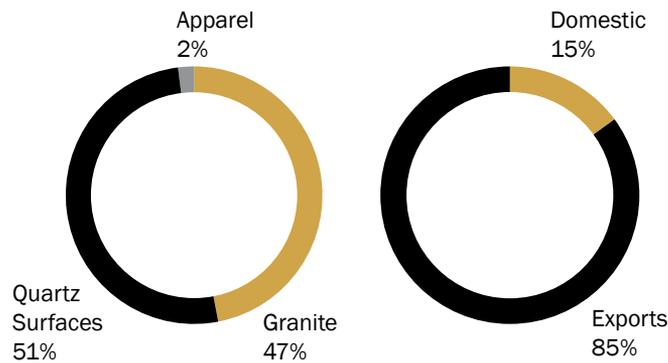
Listed on NSE

We are Pokarna

We are India's leading exporters of Granite and largest exporter of Quartz surfaces. With manufacturing facilities in Telangana and Andhra Pradesh, we export to over 50 countries. We market Quartz surfaces under the brand Quantra. Our Quartz surfaces operations are under our wholly owned subsidiary Pokarna Engineered Stone Limited. Our products are well accepted across developed and developing nations. We also possess the best of the manufacturing technologies where we use patented Bretonstone® technology for Quartz surfaces. Our brand Quantra today stands as a synonym for best quality product and design. We also have a very robust distribution network across various countries where we are known for our perfection. We offer a vast range of natural stones, quarried from our 16 mines (color-wise) and finished at our two factories in Telangana. Our brand Quantra offers some of the most exhaustive range of designs. We also manufacture apparels and market under our brand STANZA.



Share in Revenue





Algeria	Hong Kong	Qatar
Argentina	Indonesia	Romania
Australia	Iraq	Russia
Austria	Ireland	Saudi Arabia
Bangladesh	Israel	Slovakia
Barbados	Italy	Slovenia
Belgium	Jamaica	Spain
Bermuda	Jordan	Sri Lanka
Brazil	Korea	St. Lucia
Canada	Lebanon	Switzerland
Chile	Libya	Taiwan
China	Luxembourg	Thailand
Columbia	Malaysia	Turkey
Croatia	Mexico	UAE
Cyprus	Morocco	Uganda
Czech Republic	Netherlands	UK
Egypt	New Zealand	Ukraine
Finland	Norway	USA
France	Palestine	Venezuela
Germany	Poland	Vietnam
Greece	Puerto Rico	

* Map is not to scale, it is used for representative purpose only. It does not authenticate any international borders.

Chairman's Message

Dear Shareholders,

It's been a remarkable year for all of us at Pokarna Ltd., a year which brought Company's agility, adaptability and executional capabilities to the fore. Challenging macro external headwinds during the year demanded Company demonstrate such qualities and I am really pleased with the way we performed.

Before I begin discussing our operational performance, let me briefly mention the key financial highlights- revenues from engineered stone business jumped from ~₹ 135 crore to ~₹ 201 crore, reflecting the strong business growth, while granite business generated revenues worth ~₹ 184 crore as against ~₹ 183 crore during last year. Apparel business reported revenues worth ~₹ 9 crore as against ~₹ 7 crore during last year. Consolidated Profit for the year grew by ~65% and stood at ~₹ 51 crore as against previous year's profit of ~₹ 31 crore. In order to commemorate the completion of 25 years of your Company's journey the board has recommended a special silver jubilee dividend of ₹ 7 per share, along with a regular dividend of ₹ 3 per share, totaling up to a dividend of ₹ 10 per share, i.e. 100% dividend.



Engineered stone business performed exceedingly well during the year, continuing its strong momentum from last year. Capitalizing on strong demand, your Company was able to consolidate its position as being the largest quartz surfaces manufacturing firm in the Country. The Company also undertook several measures during the year which helped cap off a phenomenal year for the business. Recognizing the growing trend amongst consumers towards bigger size slabs, your Company undertook modernization and upgradation activities enabling it to manufacture jumbo size slabs. Further your Company's persistent focus on introducing newer and innovative products helped in maintaining revenue momentum during the year. Further, your Company's quartz surfaces were also kosher certified during the year, which should help us meet growing demand for the products conforming to Kashrut principles. In addition, it will help strengthen the trust for our products in the Jewish market. The Company is also monitoring present and projected demand picture across markets to ascertain feasibility of undergoing capacity expansion.

Performance of granite business remained largely steady though on the back of heightened competitive environment during the year. Your Company had to face growing competition from Brazilian players, who owing to acute depreciation in their currency vis-à-vis were able to serve major proportion of the demand. In addition to currency factor, the business also had to function in a relatively weaker demand environment, which further compounded the challenges. However, your Company given its vast experience is confident of overcoming such headwinds and expects to deliver strong performance going ahead.

Innovation has been central to our success and will continue to remain a cornerstone going forward as well. Offering novel and attractive products is critical to hold customers interest and as such Company undertakes necessary measures towards strengthening its R&D capabilities. Our expansive portfolio comprising of some of the most sought after designs and shades is a testament of our commitment and capability and has helped us develop a strong connect with our customers.

Also, keeping in view the value proposition and commitment we offer to our customers; your Company is working towards strengthening its distribution network to help serve the customers even better. Presence across faster growing geographies will help further propel our growth and help lower our dependency on particular market / economy. We are also undertaking necessary measures towards enhancing our brand visibility and distribution network which should help us develop strong brand equity and better serve our customers across the globe.

We feel we have the right plans and people in place to drive the business forward. The actions and the investments which we plan to undertake should help us strengthen our innovation & revenue management capabilities besides improving our portfolio composition. We would also leverage on our advantages – rich experience, diverse product portfolio and improving brand equity to navigate uncertain business environment. We believe we are well positioned to deliver consistent growth going forward.

Lastly, I would like to thank all the employees, business partners, bankers, vendors and other business associates and all the shareholders for their unrelenting support. We are committed towards ensuring that our best years are ahead of us.

With best regards,

GAUTAM CHAND JAIN
Chairman & Managing Director

Board of Directors



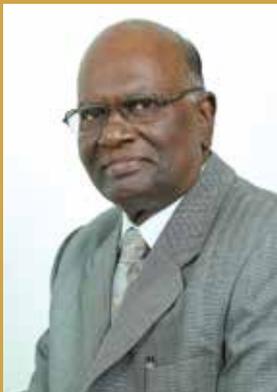
Mr. Gautam Chand Jain
Chairman & Managing Director



Mr. Dhanji Lakhamsi Sawla
Independent Director



Mr. Mahender Chand
Independent Director



Mr. Thati Venkataswamy Chowdary
Independent Director



Mr. Meka Yugandhar
Independent Director



Mr. Vinayak Rao Juvvadi
Independent Director



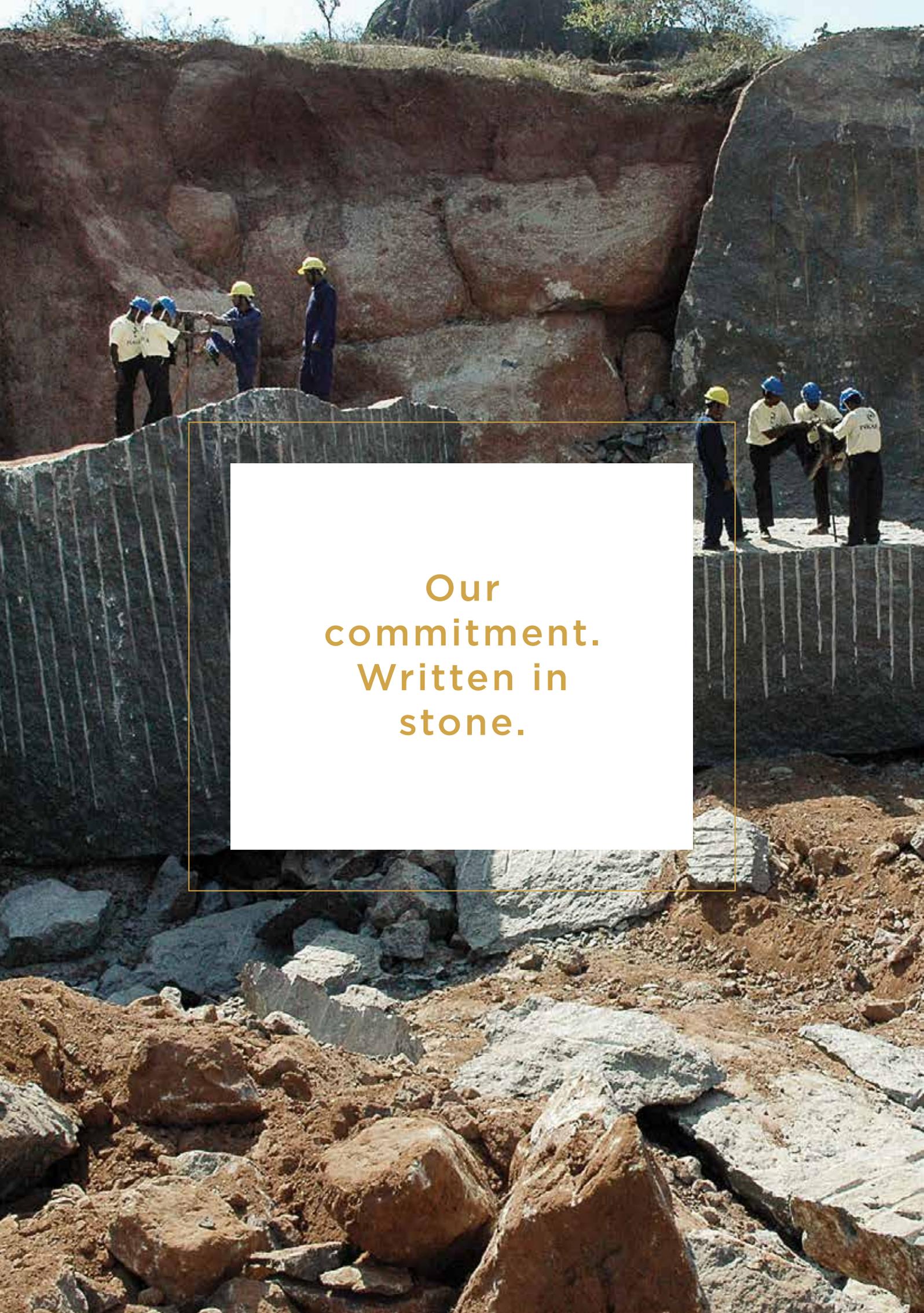
Mr. Prakash Chand Jain
Non-Executive Director



Mr. Rahul Jain
Managing Director



Mrs. Apurva Jain
Executive Director

A photograph of a quarry site. In the background, a large, reddish-brown rock face is visible. Several workers wearing hard hats and safety gear are standing on a ledge of a large, dark grey stone block. The foreground is filled with large, reddish-brown rocks and debris. A white rectangular box with a thin orange border is centered in the image, containing the text "Our commitment. Written in stone." in a bold, orange font.

**Our
commitment.
Written in
stone.**

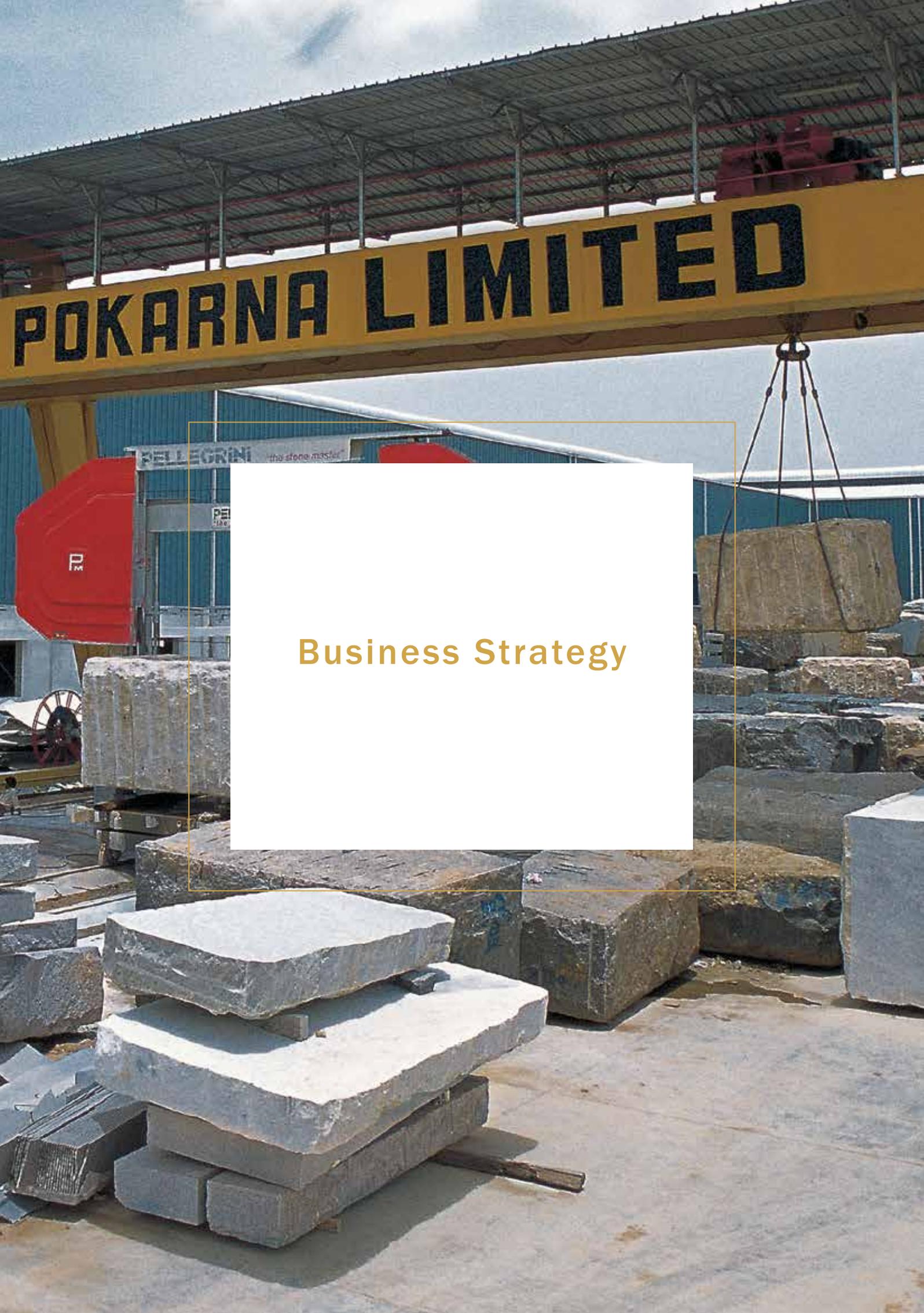
Our persistent focus on quality, be it product, processes or technology, has been the cornerstone of our growth. With a strong belief that perseverance pays, we have been relentless in our efforts to formulate a strong business model. Our strategies are moulded around our vision to become one of the best natural stone companies in the world. Moving alongside this strategy, our product quality stands second to none.

To compete with the global giants, our strategy has been to make technology our most potent weapon. We have used the best available technology and processes to make pieces of art for our customers. Every piece is cut and designed to perfection. It is this that has enabled us to build a very robust brand in the export market. Today, Pokarna is one of the leading exporters of finished stones and largest exporter of Quartz surfaces from India. Our customer base is spread across more than 50 nations. US, Europe, the Middle East, etc. are key export regions.

We have built a very strong strategy across our marketing capabilities, having developed a long-term relationship with our distribution channel across countries.

POKARNA LIMITED

Business Strategy



It takes a lot to convert one's dreams into reality. Supreme passion, dedication, perseverance and agility are imperatives to bring about the change. At Pokarna, we are driven by our dream. Our dream is to become one of the best companies in our business segment. We have moved with a strong conviction and a plan to make it a reality. We have followed the strategy of giving the best. The best to our customers, our channel partners, our employees.

By never compromising on quality we have developed a very long-term and rock solid distribution network. Our suppliers value our dedication and passion and have been always delighted with supreme quality products, cut and made to perfection. Our passion for perfection has been lauded across our markets and by our stakeholders.

Our culture of innovation has been one of the cornerstones of our business strategy. We have been continuously bringing in new innovative designs in both, our Quartz surfaces and natural stone segments, giving us an edge over the competition.

Our strategy has also been to develop the best talent within the Company. We have also been very conscious of the health of our employees and provide the best work atmosphere and adhere to the highest safety standards. We are certified with GREENGUARD, GREENGUARD GOLD, Kosher and NSF (for Quartz surfaces) and have the ISO 9001 certifications, which are a testimonial to our stringent commitment towards environment.



Market Expansion and Growth

When we started our journey 25 years back, we wanted to make our footprint on the world. Today, with exports to more than 50 countries across various continents, our dream is a reality. Today, we are one of the leading exporters of Granite and largest exporter of Quartz surface from India and hold strong brand equity across various markets. Our brand Quantra is a known name today and is recognized for being among the best quality Quartz surface, in the global arena.

To further strengthen our brand Quantra over the global landscape, we have launched a refreshingly new dedicated website (www.quantra.in) which offers various features. Also a 3D visualizer enables the customers to be their own architects. We have also been continuously participating in various exhibitions in the US, Italy, Turkey, India, Brazil and China for promoting our products. We have further enhanced our branding expenditure through advertisements in trade related magazines, to further strengthen our vast distribution network.

To take firsthand information of the key target export markets and understand the nuances of the different regions, the top management frequently visits these markets. This has also helped to further strengthen the trust with our distributors. We have made huge inroads into the fast reviving U.S. market. The U.S. is one of the fastest growing Advanced Economies and the housing sector is also steadily reviving. This has led to a robust demand for our Quartz surface products.

Further, to make inroads in the European market, we have formed a contact with the Dutch firm, Dekker Zevenhuizen. Dekker Zevenhuizen is one of the biggest retailers of home interiors in the Benelux market and would be an exclusive distributor for co-branded Quartz surfaces. This would help us to further strengthen our global presence.



**Design and
Production
Excellence**

Having developed the best in class processes, to deliver natural stone from our mines and factories, we expanded in the synergistic business of Quartz surface in 2009. With exports on the horizon, we moved towards Italy, the Mecca for stone technology, to source the best available technology to process Quartz surfaces, at our Vishakapatnam facility. The quest for the best was achieved by finalizing on the patented Bretonstone® Technology. We are currently the only Company in India to have this high-end technology.

Backed by our technology prowess, all our products match the global standards and are setting some new benchmarks in terms of quality and design. Our products comply with some of the most stringent standards for low-chemical emissions in the indoor environment. Also, with the GREENGUARD, GREENGUARD GOLD and NSF certifications for Quartz surfaces, our products are well accepted in schools and healthcare facilities. With the receipt of Kosher certification from OU (Orthodox Union) - New York, for Quartz surfaces, we will make further inroads in the US market, where we already have a very strong market and distribution network.

Business Highlights

Operational Highlights



Capacity utilization enhanced at Quartz surfaces



Upgraded Quartz molding line to manufacture jumbo size slabs



Received Kosher certification from OU (Orthodox Union) - New York, for Quartz surfaces



Successfully implemented ERP systems



Received approval to list on National Stock Exchange of India Limited

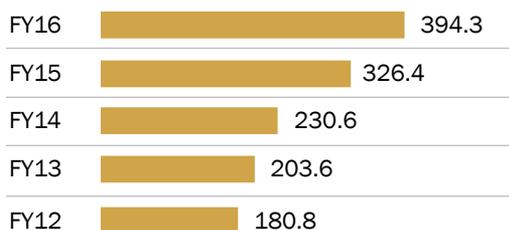
Consolidated Financial Highlights

₹ crore

Particulars	FY16	FY15	FY14	FY13	FY12
Income from Operations	394.3	326.4	230.6	203.6	180.8
EBITDA	138.5	90.7	47.4	40.0	32.6
EBIT	120.3	67.6	27.0	17.7	14.0
PAT	51.2	31.4	11.7	-6.6	-30.9
EBITDA Margin	35.1%	27.8%	20.6%	19.7%	18.0%
EBIT Margin	30.5%	20.7%	11.7%	8.7%	7.8%
PAT Margin	13.0%	9.6%	5.1%	-3.3%	-17.1%
RoE, %	52.9%	59.1%	45.3%	-42.8%	-139.5%
RoCE, %	43.6%	26.7%	11.6%	8.4%	6.8%
Dividend per Share, ₹	10	3	2	0	0
Book Value per Share, ₹	156.1	85.5	41.5	25.1	35.8
Earnings per Share, ₹	82.6	50.6	18.8	-10.7	-49.9
D/E, x	2.5	4.9	10.8	16.2	10.7

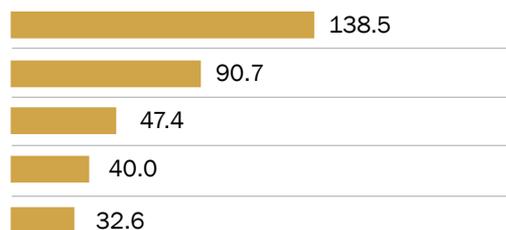
Income from Operations

₹ crore

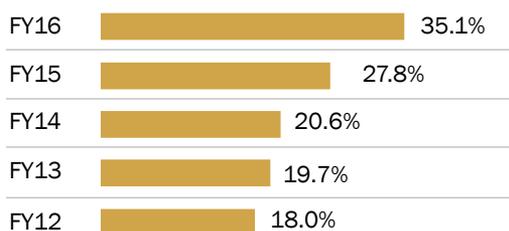


EBITDA

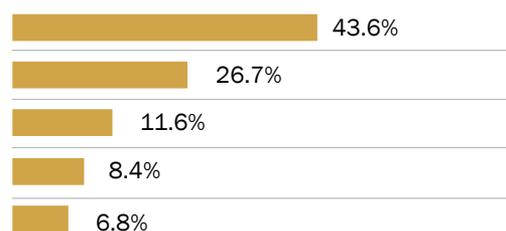
₹ crore



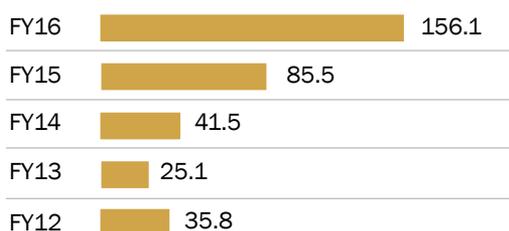
EBITDA Margin, %



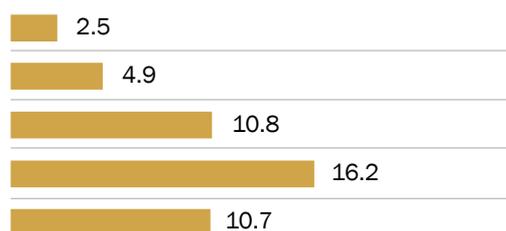
RoCE, %



Book Value per share, ₹



D/E, x





Marketing Initiatives



Stone+tec, Nuremberg, Germany



China Xiamen International Stone Fair, Xiamen, China



Marmomacc, Italy

Projects



Hilton Conrade, Bangalore



Reliance ADAG HQ, Mumbai

Corporate Social Responsibility



Contributed in building Orphanage home at Nalgonda which is under construction



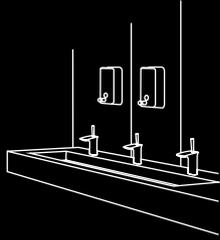
Contributed to Hrudaya Foundation for heart surgery of Infants



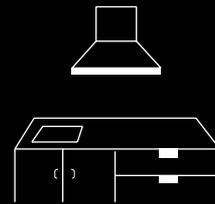
Built a water purification plant at Toopranpet



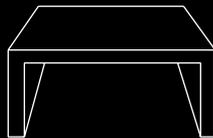
Quartz Surfaces Applications



BATHROOM



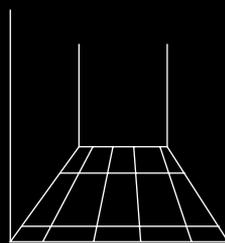
KITCHEN COUNTERTOPS



FURNITURE



CLADDING



FLOORING

Corporate Information

BOARD OF DIRECTORS

Mr. Gautam Chand Jain
Chairman & Managing Director

Mr. Dhanji Lakhamsi Sawla
Independent Director

Mr. Mahender Chand
Independent Director

Mr. Thati Venkataswamy Chowdary
Independent Director

Mr. Meka Yugandhar
Independent Director

Mr. Vinayak Rao Juvvadi
Independent Director

Mr. Prakash Chand Jain
Non-Executive Director

Mr. Rahul Jain
Managing Director

Mrs. Apurva Jain
Executive Director

STATUTORY AUDITORS

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

INTERNAL AUDITOR

Mr. M. Murali Jaganmohan
Chartered Accountant, Hyderabad

SECRETARIAL AUDITOR

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

COST AUDITORS

M/s DZR & Co
Cost Accountants, Hyderabad

CHIEF FINANCIAL OFFICER

Mr. M. Viswanatha Reddy

COMPANY SECRETARY

Mr. Vinay Paruchuru

LISTED ON

Bombay Stock Exchange Limited

Scrip code : 532486

National Stock Exchange of India Limited

Symbol : POKARNA

REGISTRAR AND SHARE TRANSFER AGENTS

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

BANKERS

Union Bank of India, Khairatabad, Hyderabad

REGISTERED OFFICE

105, First Floor, Surya Towers, Sardar Patel Road
Secunderabad - 500 003, Telangana State, India.
Tel: +91 40-27842182, 27844101, 66266777.
Fax: +91 040-2784 2121
Email: contact@pokarna.com
Website: www.pokarna.com
CIN: L14102TG1991PLC013299

FACTORIES

Granite Division

Unit - I

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

Unit - II

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

Apparel Division

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

Quartz Surfaces

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

Management Discussion And Analysis

Economic Overview

Global economy remained weak during the year amidst slower than anticipated pick-up in commercial and industrial activities across developed and emerging nations. Subdued demand and investment undertakings more so in extractive industries resulted in decelerating of manufacturing activities. Confluence of such action resulted in global growth contracting to 3.1% in 2015 as against 3.4% in 2014. In addition, heightened volatility in financial market following sharp decline in commodity prices compounded worries raising fresh concerns over much anticipated recovery. Economic activities in developed economies continued to remain modest and uneven with many of them continuing to reel under the impact of spillover effect of previous financial crisis – high debt, constrained investment, and low productivity. Amongst developed countries, US economy appeared most resilient supported by still-easy financial conditions and strengthening of housing and labor markets; while stronger private consumption on the back of lower oil prices and accommodative financial stance is expected to help Euro Zone tide over weakening of its net exports.

Performance of emerging nations as well remained mixed in partly reflective of the anemic global growth. Deceleration in China's growth following its efforts to shift the national economy more towards consumer spending and services also had a fallout effect on commodity prices, many of which tumbled to multi year low. Weakened commodity prices altered the economic dynamics of commodity dependent economies like Brazil, South Africa and Russia for the worse. However, on the flip side lower commodity prices significantly aided the performance of commodity importing nations with India being one amongst them.

Indian economy stood as a beacon of stability, growth and optimism amidst all the gloom and uncertain environment. Improving macros, supportive fiscal and monetary policies are expected to revive and reignite the country's growth engine helping it to emerge as the fastest growing major economy in the world.



Stone Industry

As per Internazionale Marmi E Macchine Carrara Research, 2015 remained a strong year for international trade of natural stone, with trade flow of 25.7 billion euro; higher by 12.4% over the previous year. This increase was largely value driven with higher average unit value of products on the international market by the main players in the sector.

China continued to maintain its leadership position in the global exports market with 42% share in the total natural stone exports. Italy was the second largest exporter with a share of 12.4%.

The US a major importer of finished natural stone, imported stone materials primarily finished products worth 2.4 billion euro in 2015, higher by 24.1% compared to previous year. The positive trend of the US demand was sustained on the back of strengthening of its currency, and the growing appeal of natural stone, in particular marble, with the material being used not only for floors and walls but also objects of design in marble and furnishings.

China, Brazil and India remained the top three trading partners for US, with imports from India growing 19.8% during the year. In absolute terms, total quantity imported from India during 2015 stood at 281,158 metric tons. Brazil and China occupying the top two slots experienced contraction of 24% and 12% during the year with volume of 843,928 metric tons and 404,246 metric tons respectively.

Imports by US of Quartz surfaces as well continued to remain strong, expanding at 55.1% over preceding year. In quantity terms, engineered stone imports amounted to 66.1 million sq. ft during 2015. China, Spain, Israel were the top three countries supplying Quartz surfaces with China reporting an annual growth of 136.5%. India which ranked sixth in the list recorded a growth of 246.3% in 2015, with exports of 3,487,310 sq.ft.

The European Union (EU), one of the biggest markets for the worldwide natural stone industry with imports of Euro 2.4 billion, registered a growth of 5.1% during 2015.

Import of natural stone in Japan slowed down during the year, though the trend is expected to reverse owing to investment in residential buildings, commercial facilities and projects associated with the Olympic Games of Tokyo 2020.

India has also been one of the key players in the global export of natural stone, with close to a 10% share of global exports.

Global Natural Stone Trade, Euro Billion

FY15	25.7
FY14	22.9
FY13	22.4

Source: Internazionale Marmi E Macchine Carrara Research

Worked Granite: US Imports, metric tons

	2015	2014	Change
Brazil	843,928	1,115,307	-24.30%
China	404,246	460,906	-12.30%
India	281,158	234,666	19.80%

Source: U.S. International Trade Commission

Quartz Slabs: US Imports (Top Sources), sq. ft.

	2015	2014	Change
China	21,007,247	8,882,639	136.50%
Spain	13,185,455	10,865,285	21.40%
Israel	11,035,592	10,939,685	0.90%
Canada	5,528,414	4,943,310	11.80%
Vietnam	4,915,206	2,779,078	76.90%
India	3,487,310	1,006,877	246.30%

Source: U.S. International Trade Commission

Granite

Global Scenario: Granite production globally, is largely confined to China, Brazil, India, Saudi Arabia, Italy and Spain. Of these China, Brazil and India together contribute 80% to 90% of the global granite production.

Currently the U.S. is the world's biggest consumer of granite and its demand is largely fulfilled by imports from Brazil, China and India. Of the total imports of granite by the U.S amounting to 1,793,007 metric tons in 2015, the trio accounted for almost 85% with Brazil constituting 47%, China 22% and India 16% of the total imports.

Indian Scenario: India possesses a wide spectrum of dimensional stones and is home to almost all varieties of natural stone - marble, sandstone, granite, limestone etc. With deposits situated across length and breadth of the country, India is also attributed with more than 66% of around 300 shades available in the world.

India accounts for around 20% of the world's resources of granite and as per Indian Bureau of Mines the country has an estimated granite reserve of around 43,000 million cubic metres. Domestic granite industry though remains fairly fragmented marked by presence of large number of small size players. One of the primary reasons for the fragmentation is the fact that granite is still classified as 'Minor Mineral' which results in state government controlling its mining and processing operations. Indian granite industry has grown at an approximate CAGR of 15% during FY2009-10 to FY 2013-14 on the back of growing housing construction globally. Domestic demand is expected to remain strong, mirroring the trend in real estate industry.

Granite is the main raw material required in housing sector - used in building, furnishing and decorating and as such real estate sector remains a main demand generator for the product. Further, with Indian real estate market expected to touch US\$ 180 billion by 2020 prospects for granite business remains robust.

India's exports of granite also have seen steady growth over the years, in sync with increasing global demand. According to FIGSI, of the stone industry's total exports worth ₹ 12,000 crore, 80% is constituted by granite. Bulk of country's granite is exported to China, USA, Turkey, Germany and UK. USA the biggest consumer of granite has seen almost tenfold increase in its imports of granite in the past 20 years. Brazil, China and India are amongst the major countries to plug bulk of the demand gap in US.

Growth in exports is expected to remain firm, likely to grow at a CAGR of 16-18% during the period FY 2014-19 on the back of higher demand from USA and China.

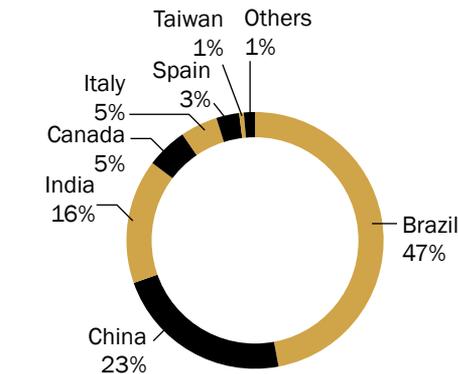
Despite its impressive growth, the sector at present faces headwinds in terms of inconsistent policies, heightened competition and soft demand. India is believed to be amongst the only country wherein stone industry is classified under minor mineral industry resulting in each state forming and implementing its own rules and policies. In addition, lack of new leases and non-renewal of existing mining leases continue to add on to sector's worries. Further, delays in procuring requisite clearances owing to red-tapism have eroded country's competitive edge over its peers. Such factors have helped China score over India in the latter's traditional markets like Japan and Korea. Shipment to Italy as well got reduced by about 80%. Lastly, with Middle East countries such as Saudi Arabia and Iran stepping up their production of granite, limestone, marble etc., Indian companies now have to compete within a highly intensive competitive environment.

In light of the above situation, the Industry body Federation of Indian Granite and Stone Industry (FIGSI) has been requesting for issuance of long term quarry mining leases and implementation of first come, first serve policy. Further, it is also imperative in declaring granite as a 'major mineral' given that it will not only lower royalty outgo on mining but will also result in enhancing segment's competitiveness.

Major Granite Exporter to US, metric tons

Brazil	843,928
China	404,246
India	281,158
Canada	92,759
Italy	83,678
Spain	51,712
Taiwan	10,521

Country wise Share in Granite Imports of USA in FY 2014-15



Source: U.S. International Trade Commission

Pokarna Perspective: Granite

Established in 1991, Pokarna Ltd is one amongst the country's leading exporters of finished granite. The Company offers some of the most novel and innovative natural stones surfaces. Its color palette includes over 75 varieties of granite sourced primarily from captive quarries. The Company's captive quarries are endowed with some of the most coveted and desirable colors like Silver Waves and Black Galaxy etc. It also import part of its granite requirement from some of the reputed and well established domestic and global independent suppliers. Pokarna processes granite from two of its state-of-the-art manufacturing facilities. The plants are equipped with machines and technology, imported from some of the finest companies in the world like Breton, Pedrini, Pellegrini etc.

With customer satisfaction and innovation as its focal point, the Company continues to work meticulously towards offering precise, novel and quality granite at various price points for its customers. With unmatched consistency of color, texture and quality, Pokarna's granite surfaces are an ideal material for residential and commercial applications. Driven by such ethos the Company has successfully carved a niche for itself in both domestic and international market.

The Company generated revenues worth ₹ 184 crore from the segment during the year as against ₹ 183 crore during last year. Segment's performance during the year was primarily impacted by heightened competition especially from Brazilian companies following sharp decline in its currency vis-à-vis the USD. Buoyed by weak currency and close proximity to US market Brazilian firms were able to better compete with Indian firms. Further, with gradual slowdown in overall construction activity, demand for the product also remained a bit subdued. However, your Company is confident of withstanding the near term pressure and reverting back to its historical growth. Of the total revenue, 77% was earned through exports, of which US region constituted 27%. The Company had earned revenue amounting to ₹ 49 crore from US last year which accounted for 35% of the overall exports earnings. Overall Domestic:Export mix for the year stood as 23:77 as against 24:76 reported during last year. Segment's PBIT for the year stood at ₹ 49 crore as against ₹ 48 crore during last year.

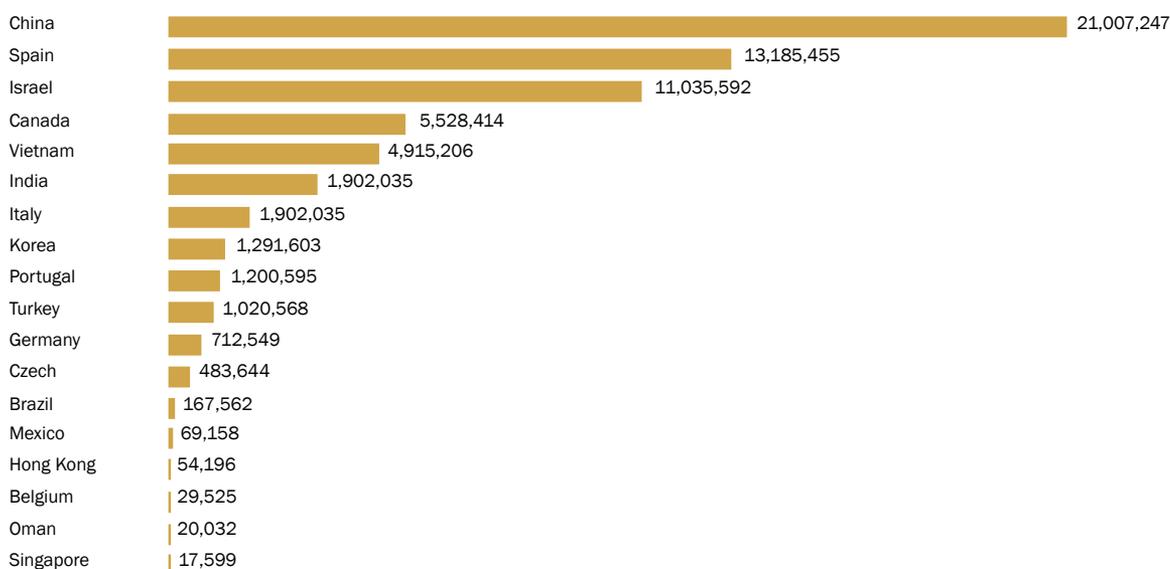
Overall growth prospects of the business remains bright on the back of improving housing market in US and gradual pick up in construction activities around the globe. Challenges stemming from Brazil are likely to linger in the near term; however the Company is confident of mitigating them and retaining its position as one of the leading firm in the segment.

Engineered Stone / Quartz Surfaces

Quartz Surfaces a man-made product, comprises majorly of quartz, one of nature's strongest material and a mix of bonding agent, pigment and additives. Similar in appearance to natural stone, quartz enjoy certain innate benefits not available with natural material namely durability, strength and stain and heat resistant qualities. Further, natural stones are also porous which leaves room for bacteria to get into fissures and pores where it can be tough to eradicate, while on the other hand Engineered stone doesn't absorb liquids resulting in easier cleaning and more effective than natural stone. Owing to such factors, engineered stone has been rated as most preferred material for countertop by Consumer reports magazine scoring over other materials like granite, ceramic tile, stainless steel, laminate, marble, limestone, and concrete. Further, engineered stone's texture can be fine or coarse, depending on how it is processed, and can be combined with glass and other reflective materials for a sparkling finish.

Engineered stone is also the fastest growing material to be used in the countertop industry. Rapid growth of the product 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. The growth is expected to remain strong as it gains further awareness and acceptance in several existing and newer markets - the product is fairly matured and developed in Israel and Australia, it is still at a nascent stage in markets like USA and Canada, two of the largest markets in the world. The product is expected to witness a disproportionate growth trajectory if it is able to meaningfully increase its receptiveness in these two regions, given their size and magnitude. USA's engineered stone imports amounted to 66.1 million sq. ft. during 2015, higher by 55.1% over preceding year.

Quartz Slabs: US Imports, sq. ft.



Source: U.S. International Trade Commission

In China as well, consumption of engineered stone is expected to increase at a CAGR of 15.0% from 2015 through 2020. China's consumption of quartz surface products is expected to have a compound annual growth rate (CAGR) of 18.8% from 2015 through 2020, with annual sales of 10 million square meters per year being expected.

Pokarna Perspective: Engineered Stone / Quartz Surfaces

Pokarna offers exquisite array of engineered stone surfaces through its wholly owned subsidiary Pokarna Engineered Stone Limited (PESL). PESL is the largest exporter of engineered stone surfaces in the country and is also the only Company in India to produce quartz surfaces using the patented Bretonstone® Technology. Bretonstone System from Breton S.p.A. of Italy, is considered to be amongst the finest of its kind in the world.

With passion, innovation and research as its cornerstone, PESL has been offering some of the most sought after engineered stone surfaces in terms of design and patterns under its brand Quantra. Available in more than 64 colors, the Company's portfolio has ample depth and versatility in terms of design with unmatched durability. The Company's unrelenting commitment towards offering the freshest and the most beautiful designs in the industry has helped it carve a niche for itself and build a strong brand loyalty with its customers.

The Company has a state-of-the-art quartz manufacturing plant located in the port city of Vishakapatnam, Andhra Pradesh. The unit's strategic location enables the Company to source quartz from Andhra Pradesh, which is noted for its strong physical characteristics and high level of clarity. Further, the plant is also equipped with extensive laboratory, enabling the Company's R&D staff to develop new colors, create product prototype and analyze various products via its modern machinery. Such thrust and commitment towards innovation has helped the Company maintain a strong product pipeline, with existing portfolio getting replenished on a timely and consistent basis.

The Company strives towards developing and setting up benchmarks in terms of innovation and quality for others to emulate. Further, the depth of Company's product portfolio has made it relatively easier for home owners and designers to explore new design possibilities for any environment, style preference or application in turn helping it to build on its leadership position.

The Company is also equally dedicated and motivated towards preserving the environment and pays utmost attention towards ensuring minimum impact. The Company rigorously scrutinizes its production process from a health, safety and environmental point of view.

The Company is also working towards increasing its brand visibility across regions and as such has been taking necessary actions in terms of increasing its touch points and reach. During the year, the Company revamped its existing website with one equipped with new functions making it more user friendly, providing comprehensive product details - colors, textures, new surfaces etc. It also enables the user to take pictorial stock of Company's aesthetically appealing surfaces - full of colors and textures. The revised website is amongst one of the many activities planned by the Company towards enhancing its brand image and strengthening its bond with the customers. The Company is hopeful that its renewed strategy will trigger the next growth phase for its Quartz surfaces business.

Further, the Company also modernized the molding line at its manufacturing unit to develop Jumbo size slabs. Demand for jumbo size slabs are growing more so in USA and as such the latest upgradation activity will help the Company better tap the business opportunities in the segment. Further, bigger size slab results in better yield, facilitates color-matching and minimizes seams.

During the year the Company's quartz surfaces also received kosher certification from OU (Orthodox Union) - New York under Pareve designation. The certification confirms the Company's products adhere to the highest quality of Kashrut supervision and permits kosher consumers to use the Company's products in their kitchen. Besides, it also enables the Company to expand its presence and help better meet the growing demand for products conforming with Kashrut (or kosher concept) principles. Lastly, it also strengthens the trust of the Company's products in Jewish market.

The Company generated revenues worth ₹ 201 crore from the business during the year as against ₹ 136 crore, a growth of 48%. Strong demand, improved product mix and functioning at higher utilization contributed to robust top line expansion. Further, rupee depreciation against USD abetted revenue momentum. Domestic:Export mix for the year stood at 4:96 as against 11:89. Of the total overseas sales, revenue from USA constituted 80%, as against 73% during previous year.

PBIT for the segment during the year stood at ₹ 83 crore as against ₹ 32 crore during previous year. Lower input prices mainly polymer resins, following acute decline in crude prices significantly aided in improving margins and overall profitability of the business.

Outlook for the business continues to remain positive driven by strong demand for the product across the globe. Strong employment and housing data in USA coupled with rising preference amongst the end users towards the engineered stone should assist in sustaining the demand. Further, the Company's continuous focus on strengthening its brand through R&D investment & development of new colors, designs, and textures should help it to tap the growth potential going forward.

Outlook

Industry Forecast

The overall progress and development of the decorative surfacing industry is closely tied to the housing market with any pick-up in construction and residential activity portending better times for the business.

The US housing industry which had been subdued until recently is now reflecting a slow but steady revival with growing confidence and demand amongst the homeowners. The trend is reflected by the better home sales and housing starts figure - 2015, was the best year for sales of new single-family homes since 2007. Further, after having breached one million housing starts in 2014, 2015 saw growth of more than 10% finishing at an estimated 1,111,200.

The momentum in the housing segment is expected to remain strong on the back of improving macros, with The National Association of Home Builders' (NAHB) Housing and Interest Rate predicting housing starts to grow by more than 10% in 2016 and end the year with 1.25 million and 1.52 million levels in 2017. Further, it also expects home prices to increase by 4.5% on an average in addition to the pick-up in housing starts.

Non-residential construction activities as well are progressing gradually and are expected to maintain its momentum, with FMI predicting growth in five major nonresidential construction segments closely tied with surfacing. Of the five construction sector, lodging sector is expected to clock the fastest rate, followed by office, commercial and educational sector.

The improving prospects for non-residential construction is further corroborated by the Consensus Construction Forecast from American Institute of Architects (AIA), an average of forecasts from seven major building market institutions with their Economist expecting more than 8% overall growth, with 10% growth on the commercial / industrial side and 7% for institutional facilities.

Experts believe Remodeling / Home improvement sector will build on its improved performance during the year, with the American Society of Interior Designers (ASID) expecting strong business conditions for the current year after monitoring the first six months. Their forecast is anchored on improving trend in economic and labor market. Further as per, Home Improvement Research Institute's latest update, Home improvement market which reported a 4.4% growth in 2015 expects similar growth rate from 2016 through 2019. Homeowner opting for larger and more discretionary projects into their home improvement priorities is one of the key reasons expected to drive the improvement in remodeling market.

U.S. Housing Starts Historical Data

Year	Total	Single Family	Multifamily
2006	1,801,000	1,465,000	336,000
2007	1,355,000	1,046,000	309,000
2008	905,000	622,000	283,000
2009	554,000	445,000	109,000
2010	587,000	471,000	116,000
2011	608,800	430,600	178,200
2012	780,600	535,300	245,300
2013	924,900	617,600	307,300
2014	1,003,300	647,900	355,400
2015	1,111,200	714,600	396,600

Source: US Census Bureau

Nonresidential Building Construction (in million of US \$)

Type	2013	2014	2015	2016	2017	2018
Lodging	13,585	16,839	19,768	23,046	25,231	26,303
Office	41,344	44,491	54,975	59,793	61,711	65,018
Commercial	50,992	57,877	66,869	72,493	75,975	77,636
Healthcare	41,484	41,038	41,203	43,200	45,887	48,913
Educational	77,996	78,464	84,865	89,195	92,356	97,358

Source: FMI Construction Outlook - Q4 2015 - 2018

Cabinet Sales in Billions of US Dollars (includes 70 percent of Industry reporting)

Year	Total Sales	Overall % Change	Stock Cabinets % change	Semi – custom cabinets % change	Custom Cabinets % change
2015	\$6.5	8.50%	12.30%	4.20%	13.60%
2014	\$6.0	9.20%	10.50%	7.10%	14.30%
2013	\$5.6	20.70%	26.20%	16.30%	17.90%
2012	\$4.7	7.30%	11.70%	4.50%	0.10%
2011	\$4.4	-1.70%	-3.20%	0.00%	-3.00%
2010	\$4.5	-4.10%	-6.70%	-0.50%	-13.20%

Source: Kitchen Cabinet Manufacturers Association (KCMSA) Trend of Business Report.

Countertop Segment

US Countertop Demand (million sq. ft.)**% Annual Growth rate**

	2009	2014	2019	2009-14	2014-19
Countertop Demand	588	660	810	2.30%	4.20%
Laminates	301	300	355	-0.10%	3.40%
Natural Stone	90	120	155	5.90%	5.30%
Solid Surfaces	73	85	105	3.10%	4.30%
Engineered Stone	34	52	69	8.90%	5.80%
Cast Polymers	41	46	55	2.30%	3.60%
Tile	39	44	50	2.40%	2.60%
Other Materials	10	13	21	5.40%	10.10%

Source: Freedonia Research

As per Freedonia Group's latest report, demand for countertop in United States is expected to grow 4.2% annually to 810 mn sq.ft by 2019 and attain size of \$ 29.3 bn.

Rebound in new building construction activity coupled with increased spending on improvement and repair of existing structures is expected to drive the growth through 2019. Further, a shift in product mix from laminates to higher-priced alternative materials is expected to boost value gains.

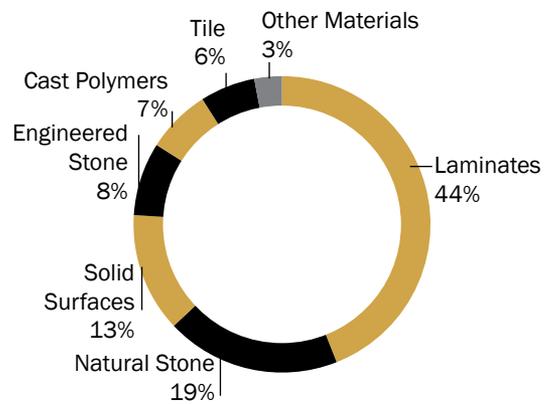
Countertop industry's growth in the past had been primarily driven by a rise in residential construction following improved employment, rising disposable incomes and low interest rate regime. Of the above mentioned factors, residential market plays a pivotal role in the growth

of countertop industry as it typically constitutes about four-fifths of overall countertop demand.

The report states that laminates are expected to retain their leadership position with 44% share, while natural stone is expected to corner one-fifth share of 810 million sq. ft, USD 29.3 billion countertop market in 2019. Shift in consumer preference for appearance of stone coupled with declining prices is expected to propel granite demand. Moderate decline in granite prices over the past decade has resulted in improving its availability and popularity across masses.

The report further states that shift amongst high-end homes users and businesses towards unique, less commonly used surfaces is expected to drive the growth for engineered stone, natural stones other than granite, and niche materials such as various metals, concrete, and recycled materials. Increased demand for value added materials – which create novel & distinguished countertops will help push up its share in the overall mix. Engineered stone given their durability, aesthetic appeal and maintenance free characteristics is expected to be the fastest growing stone surface; its share in US countertop industry is expected to grow to 8.5% by 2019 from its 5.8% during 2009.

Share of Materials in US Countertop Demand



Source: Freedonia Research

Apparel

Textile and Apparel industry has been one of the key contributors towards transforming India into economic powerhouse. The sector is one of the largest contributors to India’s exports with approximately 11% of total exports. Further it is also the second largest employer after agriculture, providing employment to over 45 million people directly and 60 million people indirectly. Lastly, the sector also contributes approximately 5% to India’s gross domestic product (GDP), and 14% to overall Index of Industrial Production (IIP).

According to a study by Wazir Advisors and PCI Xylenes & Polyester the sector has the potential to reach US\$ 500 billion in size. The growth implies domestic sales to rise to US\$ 315 billion from currently US\$ 68 billion. At the same time, exports are implied to increase to US\$ 185 billion from approximately US\$ 41 billion currently.

Similar to Textile, Retail industry has also contributed positively to country’s growth accounting for over 10% of the nation’s GDP and around 8% of the employment. India, the fifth largest global destination in terms of retail space is expected to grow to US\$ 1 trillion by 2020 with higher income level, urbanization and attitudinal shifts being the key growth drivers. Further, India is also expected to become the world’s fastest growing e-commerce market, driven by robust investment in the sector and rapid increase in the number of internet users.

During the year, Apparel business generated revenues worth ₹ 9 crore as against ₹ 7 crore during previous year. The Company markets its product under the brand “Stanza” and currently has 8 exclusive outlets. Functioning at sub-optimal level coupled with elevated operating cost are primary factors for the subdued performance of the business. The division’s revenue were entirely derived from domestic market. PBIT for the segment stood at ₹ (8) crore as against ₹ (10) crore during FY15.

Segment Wise Performance

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

Year	Total	(₹ In Lacs)	
		For the year ended	
		31.03.2016	31.03.2015
1	Segment Revenue (net)(including inter segment sales)		
a)	Granites	18,422	18,317
b)	Apparel	871	746
	Total	19,293	19,063
2	Inter Segment Revenue	-	-
	Net Sales/Income from Operations	19,293	19,063
2	Segment Results Profit (+) / Loss (-) before tax and interest from each segment.		
a)	Granites	4,877	4,756
b)	Apparel	(839)	(1,001)
	Total	4,038	3,755
	Less : Interest	1,265	1,223
	Total Segments Profit Before Tax	2,773	2,532
3	Capital Employed (Segment Assets - Segment Liabilities)		
a)	Granites	8,208	7,948
b)	Apparel	2,178	2,149
	Unallocable assets less liabilities	6,116	8,033
	Total	16,502	18,130

STANDALONE FINANCIAL PERFORMANCE OF THE COMPANY / OPERATIONS

- Net sales grew 1.21% from ₹ 19,063 Lacs to ₹ 19,293 lacs
- Net Profits increased 6.15% from ₹ 1,625 Lacs to ₹ 1,725 Lacs
- Earnings per share stood at ₹ 27.82 and diluted EPS stood at ₹ 27.82

Risk & Concern

Our principal risks have been assessed according to impact and likelihood, and are described below. The order in which these risks appear does not necessarily reflect the likelihood of their occurrence or the relative magnitude of their impact on our business. It is essential to have in place necessary systems to manage these risks, while balancing the relative risk/reward equations demanded by stakeholders. Our management systems, organizational structures, processes, standards, and code of conduct together form our internal control systems, which govern how we conduct business and manage all associated risks. Materiality and tolerance for risk are key considerations in our decision-making.

Risk	Impact	Mitigant
Discovery risk	The increased production rates from our growth oriented quarries demand on exploration and prospecting initiatives to replace reserves and resources at a pace faster than depletion. A failure in our ability to discover new reserves, enhance existing reserves or develop new operations in sufficient quantities to maintain or grow the current level of our reserves could negatively affect our prospects.	Our strategic priority is to add to our reserves through continuous focus on survey and exploration of new quarries. In order to accelerate this process, we have created a separate team with adequate financial resources.
Operational turnaround of apparel business	Losses of the apparel manufacturing and retailing division impact overall profitability of the Company.	We are seriously reviewing our apparel manufacturing and retailing operations. We are committed to improving operating performance of this business. Several cost-saving initiatives are under way to reduce losses and become operationally positive.
Reliability and predictability in operational performance	Our operations are subject to conditions and events beyond our control that could, among other matters, increase our mining, transportation or production costs, disrupt or halt operations at our mines and production facilities for varying lengths of time	Asset utilisation and cost of production (CoP) continues to be a priority. We carry out periodic benchmarking of CoP and other operational efficiencies.
Currency exchange rate fluctuations	We derive substantial income from exports. We have foreign currency loans and we also import a small portion of our raw materials and a significant part of our consumables and capital equipment, hence it gives a partial natural hedge. Any volatility in the Currency exchange rate would therefore impact the Company.	Pokarna doesn't fluctuate in forex. The Audit Committee reviews our forex-related matters periodically and suggests necessary courses of action as may be needed by businesses from time to time, and within the overall framework of our forex policy.
Political, legal and regulatory risk	We export to many countries around the globe, which have varying degrees of political and commercial stability. Any unrest and instability in such countries would impact the Company.	We monitor regulatory and political developments on a continuous basis

Breaches in information/IT security	Like many other organisations, our reliance on computers and network technology is increasing. Any cyber security breach could have an impact on business operations.	Organisation is in place for information and IT security. IT security policies and procedures are defined. An IT system is in place to monitor logical access controls.
Community relations	The continued success of our existing operations and future projects are in part dependent upon broad support and a healthy relationship with the respective local communities. Failure to identify and manage local concerns and expectations could affect the organization's reputation and social license to operate and grow.	We have periodic engagements with all local communities to establish relations based on trust and mutual benefit. Our focus is on local consent prior to accessing resources or starting work. We seek to identify and minimise potential negative operational impacts and risks through responsible behaviour - acting transparently and ethically, promoting dialogue and complying with commitments to stakeholders. The Board's Corporate Social Responsibility (CSR) Committee decides the focus areas of all CSR activities, budget and programmes to be undertaken.
Health, safety and environment	The granite mining and processing sector is subject to extensive health, safety, and environmental laws, regulations and standards. Evolving regulations, standards and stakeholder expectations could result in increased cost or litigation.	Compliance of local regulations and standards, and protecting our people, communities and the environment from harm and our operations from business interruptions, are our key focus areas. We have appropriate policy in place for occupational health-related matters. We are implementing programmes to eliminate fatalities and control injuries. We continue to improve on our safety investigations and follow-up processes.
Talent/skill shortage risk	The Company's efforts to continue its growth and efficient operations will place significant demand on its management resources. Our highly skilled workforce and experienced management team is critical to maintaining its current operations, implementing its development projects and achieving longer-term growth.	We continue to invest in initiatives to widen our talent pool. Our performance management system is designed to provide reward and remuneration structures and personal development opportunities to attract and retain key employees.

Internal Control Systems & Adequacy

The Company has set up a proper and adequate system of internal control to ensure protection of assets against disposition or loss on account of unauthorized use and that all transactions are approved, recorded and rightly reported. Also, the system has been designed to ensure that financial and other records are accurate for preparing financial information and other data, and for maintaining accountability for assets and liabilities. The control system is also equally aided by rigorous internal audit, guidelines and procedures.

Human Resources

Your Company strives towards building a transparent and conducive work environment for its employees. The focus is on covering all aspects of employee lifecycle to provide them a holistic experience. Your Company recognizes that workforce with a proper work-life balance will be a motivated and committed contributor.

During his / her tenure, the employee is exposed to different roles, assigned various tasks and multiple skill development activities to keep them motivated and progressive. Further, the Company also conducts interventions to gather ideas around innovations to engage and develop employees.

Cautionary Statements

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.

MANAGEMENT REPORTS

May 30, 2016

Dear member,

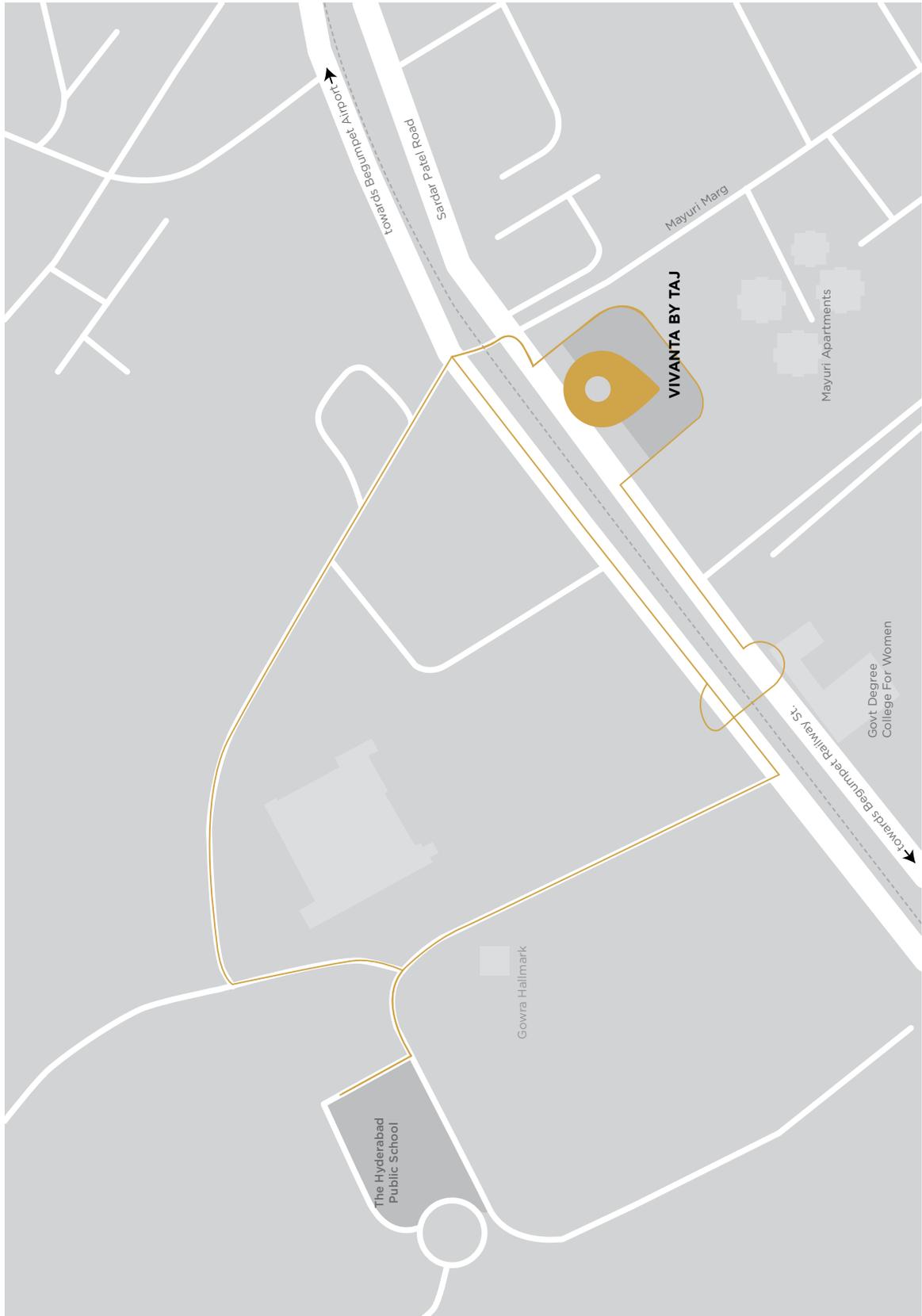
You are cordially invited to attend the 25th Annual General Meeting of the members of Pokarna Limited ('the Company') to be held on Friday, September 16, 2016 at 10.30 a.m. IST at Hotel Vivanta by Taj, 1-10-147 & 148, Opp: Hyderabad Public School, Begumpet, Hyderabad, Telangana, India - 500016.

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

Very truly yours,

Your Board of Directors

ROUTE MAP TO THE AGM VENUE



NOTICE OF THE TWENTY-FIFTH ANNUAL GENERAL MEETING

Notice is hereby given that the 25th Annual General Meeting of Members of **Pokarna Limited**, will be held on September 16, 2016, Friday, at 10.30 a.m., at Hotel Vivanta by Taj, 1-10-147 & 148, Opp: Hyderabad Public School, Begumpet, Hyderabad, Telangana, India - 500016 to transact the following businesses:

Ordinary Business:

Item No. 1 – Adoption of Financial Statements

To receive, consider and adopt:

- a) the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2016 and the Reports of the Board of Directors and the Auditors thereon; and
- b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2016 and the Report of the Auditors thereon.

Item No. 2 – Declaration of Dividend

To declare final dividend of ₹ 10 per equity share (which includes one-time special dividend of ₹ 7 per equity share) for the Financial Year ended March 31, 2016.

Item No. 3 – Appointment of a Director

To appoint a Director in place of Mrs. Apurva Jain (DIN: 06933924), who retires by rotation and, being eligible, seeks re-appointment.

Item No. 4 – Reappointment of Auditors

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

“RESOLVED THAT M/s. S. Daga & Co., (Firm Registration No. 000669S with the Institute of Chartered Accountants of India) be and are hereby re-appointed as Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company at a remuneration to be decided by the Audit Committee of the Board in consultation with the Auditors.”

Special Business:

Item No. 5 – Appointment of Mr. Rahul Jain as the Managing Director

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to recommendation of the Nomination and Remuneration Committee, and approval of the Board of Directors (“Board”) and subject to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 (“Act”) and the Rules made thereunder, as amended from time to time, read with Schedule V to the Act, the Company hereby approves the appointment as well as the payment of salary, commission and perquisites (hereinafter referred to as “remuneration”) of Mr. Rahul Jain (DIN: 00576447) as the Managing Director of the Company for the period from May 02, 2016 to May 01, 2021, liable to retire by rotation, upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this meeting, including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year, with liberty to the Board to alter and vary the terms and conditions of the said appointment in such manner so as to not exceed the limits specified in Schedule V to the Act or such other limits as may be prescribed from time to time as may be agreed to between the Board and Mr. Rahul Jain.

RESOLVED FURTHER THAT the remuneration approved hereby to be paid either monthly or quarterly or half yearly or otherwise as may be agreed to between the Board and Mr. Rahul Jain.

RESOLVED FURTHER THAT the Directors and Company Secretary be and are hereby severally authorized to file the necessary returns with Registrar of Companies and to do all such acts, deeds, matters and things as may be necessary to give effect to this resolution.”

Item No. 6 – Ratification of Cost Auditors' Remuneration

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, the Company hereby ratifies the remuneration of ₹ 1,00,000 plus out-of-pocket expenses payable to Messrs DZR & Co., Cost Accountants (Firm Registration No. 00173 with the Institute of Cost Accountants of India) who have been appointed by the Board of Directors as the Cost Auditors of the Company, to conduct the audit of the cost records of quarrying operations of the Company, for the Financial Year ending March 31, 2017.”

Item No. 7 – Alteration of Articles of Association

To consider and if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to Section 14 and other applicable provisions of the Companies Act, 2013 (“Act”), as amended from time to time, the Articles of Association of the Company be and are hereby altered in the following manner:

- (i) after article 114, a new article 114A be added as under:

114A: Forfeiture of Unclaimed Dividend: There shall be no forfeiture of unclaimed dividends before the claim becomes barred by law.

- (ii) existing article 22 be deleted and the same be substituted with new article 22 as under:

22: Board may make Calls: Subject to the sanction of Company in the general meeting, the Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times. The option or right to call of shares shall not be given to any person except with the sanction of the Company in general meetings.

RESOLVED FURTHER THAT the Directors and Company Secretary be and are hereby severally authorized to file the necessary returns with Registrar of Companies and to do all such acts, deeds, matters and things as may be necessary to give effect to this resolution.”

Registered Office:

105, First Floor, Surya Towers,
S. P. Road, Secunderabad - 500 003.
CIN : L14102TG1991PLC013299
Date : May 30, 2016

By Order of the Board

Sd/-
Vinay Paruchuru
Company Secretary
ACS No. A33145

NOTES

1. 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.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Pursuant to Section 105 of the Companies Act, 2013, a person can act as a Proxy on behalf of not more than fifty members holding in an aggregate, not more than ten percent of the total share capital of the Company. Members holding more than ten percent of the total share capital of the Company may appoint a single person as Proxy, who shall not act as a Proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
3. Proxy holder shall prove his identity at the time of attending the Meeting. A Proxy Form which does not state the name of the Proxy shall be considered invalid.
4. Corporate members intending to send their authorised representatives to attend the Meeting pursuant to Section 113 of Companies Act, 2013 ("the Act") are requested to send to the Company a certified copy of the Board resolution authorising their representatives to attend and vote on their behalf at the Meeting.
5. The Register of Members and Share Transfer Books of the Company will remain closed from September 10, 2016 to September 16, 2016 (Both days inclusive) for the purpose of payment of dividend, if any, approved by the Members.
6. If dividend on Equity Shares as recommended by the Board of Directors is approved at the meeting, payment of such dividends will be made on and from September 16, 2016 to those members whose names are on the Company's Register of Members after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before Friday, September 09, 2016. In respect of Equity Shares held in electronic form, the dividend will be paid to the beneficial owners of shares as at the end of business hours on Friday, September 09, 2016, as per details furnished by the Depositories for this purpose.
7. Pursuant to the provisions of the Companies Act, the Unpaid / Unclaimed dividend for the financial year 2007 - 2008 has been transferred by the Company to the Investor Education and Protection Fund ("IEPF") established by the Central Government. It may also be noted that once the unpaid / unclaimed dividend is transferred to the IEPF as above, no claim shall lie against the Company or the IEPF in respect of such amount by the Member.
8. The Ministry of Corporate Affairs ("MCA"), Government of India, through its Circular No. 17/2012 dated July 23, 2012 has directed companies to upload on the company's website information regarding unpaid and unclaimed dividend. In terms of the circular, the Company has uploaded the details of unpaid and unclaimed dividend as on the date of previous AGM and the same can be viewed on www.pokarna.com.
9. (i) Members are requested to notify immediately any change of address:
 - a. to their Depository Participants ("DPs") in respect of the shares held in electronic form; and
 - b. to the Company or its RTA, in respect of the shares held in physical form together with a proof of address viz. Electricity Bill, Telephone Bill, Ration Card, Voter ID Card, Passport etc.(ii) In case the mailing address mentioned on this Annual Report is without the Pincode, Members are requested to kindly inform their Pincode immediately.
10. As per the provisions of the Companies Act, 2013, facility for making nominations is available to the members in respect of the shares held by them. Nomination forms can be obtained from the Company's Registrars and Transfer Agents by Members holding shares in physical form. Members holding shares in electronic form may obtain Nomination forms from their respective Depository Participant.
11. Members desiring any information as regards the Accounts are requested to write to the Company Secretary at an early date so as to enable the management to keep the information ready at the meeting.

12. Disclosure pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") with respect to Directors seeking re-appointment/appointment at the Meeting is given below:

Name of the Director	Mr. Rahul Jain (DIN: 00576447)	Ms. Apurva Jain (DIN: 06933924)
Date of Birth	09.11.1979	07.11.1984
Date of Appointment	17.09.2001	09.08.2014
Expertise in specific functional areas	Strategy, Marketing, Finance Management, Corporate Planning and General Corporate Management	Marketing & Administration
Qualifications	Graduate from University of Michigan, Ann Arbor, USA	Bachelor of Science (Home Science).
Names of the Listed entities in which the person is holding Directorships or Board Committee Memberships.	Pokarna Limited	Pokarna Limited
Inter se relationship among Directors	Son of Mr. Gautam Chand Jain, Chairman & Managing Director and Spouse of Mrs. Apurva Jain, Executive Director.	Spouse of Mr. Rahul Jain, Managing Director and Daughter in law of Mr. Gautam Chand Jain, Chairman & Managing Director.

13. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which Directors are interested under Section 189 of Companies Act, 2013 will be available for inspection at the Annual General Meeting.
14. Members may utilise the facility extended by the Registrar and Transfer Agent for redressal of queries. Members may visit <http://karisma.karvy.com> and click on Investors option for query registration through free identity registration process.
15. The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to M/s. Karvy Computershare Private Limited.
16. The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose email address is registered with the Company or the Depository Participant(s), unless the Members have registered their request for the hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent through permitted mode to those Members who have not registered their email address with the Company. Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode is requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the Registration Counter at the AGM.
17. In the case of joint holders attending the meeting, only such joint holder who is higher in the order of names, will be entitled to vote at the Meeting.
18. To support the 'Green Initiative' the Members who have not registered their e-mail addresses are requested to register the same with Karvy Computershare Private Limited / Depositories.
19. Pursuant to Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of Listing Regulations, the Company is pleased to provide the facility to Members to exercise their right to vote on the resolutions proposed to be passed at AGM by electronic means. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on September 09, 2016, i.e. the date prior to the commencement of book closure, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. Members may cast their votes on electronic voting system from any place other than the venue of the meeting (remote e-voting).

The remote e-voting period will commence at 9.00 a.m. on September 13, 2016 and will end at 5.00 p.m. on September 15, 2016. Additionally, the facility for voting through electronic voting system shall also be made available at the AGM and the Members attending the AGM who have not cast their vote through remote e-voting can avail the said service.

20. Mr. K.V. Chalama Reddy, Practicing Company Secretary (C.P. No. 5451), is appointed to act as the Scrutinizer, to scrutinize the entire e-voting process in a fair and transparent manner.
21. The Notice of Remote e-voting containing login ID and password for e-voting along with process, manner and instructions for e-voting is being sent to the members along with the copy of the Notice. Which forms integral part of this notice.

Statement pursuant to Section 102(1) of the Companies Act, 2013 ("Act")

Item No. 5

Based on the recommendation of the Nomination and Remuneration Committee, Mr. Rahul Jain was appointed as the Managing Director ("MD") of the Company with effect from May 2, 2016, subject to the approval of the Members. Prior to this Mr. Rahul Jain was holding the position of Whole time Director, designated as Executive Director of the Company.

Pursuant to the provisions of Sections 196, 197, 198 and any other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the rules framed thereunder read with Schedule V of the Act, the appointment and remuneration of MD requires the approval of the Members in general meeting. The brief resume of Mr. Rahul Jain is provided in notes to the Notice. The main terms and conditions relating to the appointment of Mr. Rahul Jain as the MD are as follows:

- (i) **Nature of Duties:** The MD shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board of Directors from time to time and separately communicated to him and such powers as may be assigned to him, subject to the superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company and the business of any one or more of its subsidiaries, joint venture companies and/or associated companies. This includes performing duties as assigned by the Board from time to time by serving on the boards of such subsidiaries, joint venture companies and/or associated companies or any other executive body or any committee of such a company for which he may be allowed to receive remuneration as may be determined by the Board of subsidiaries, joint venture companies and/or associated companies, subject to compliance with the applicable provisions of the prevailing laws and regulations.
- (ii) **Remuneration:**
 - a. **Salary:** Maximum of ₹ 10,00,000 (Ten Lacs) per month.
 - b. **Perquisites:** In addition to the above Salary, MD shall be entitled to the following perquisites, which shall not exceed ₹ 2,50,000 per month (in terms of value);
 - c. **Residential Accommodation:** MD shall be provided free furnished residential accommodation with free use of all the facilities and amenities provided by the Company.
 - d. **Medical Reimbursement:** Reimbursement of actual medical expenses incurred by the Managing Director and his family.
 - e. **Club Fees:** Actual fees of clubs will be paid by the Company.
 - f. **Personal Accident Insurance:** Actual premium to be paid by the Company.
 - g. **Car:** Facility of one car with driver.
 - h. **Telephone:** Free telephone facility at residence including a mobile phone.
 - i. **Contribution to provident and superannuation funds:** Company's contribution to Provident and Superannuation Funds will be as per the rules of the Company.

- j. **Gratuity:** Not exceeding half months' salary for each completed year of service.
- k. Reimbursement of entertainment and all other expenses incurred for the business of the Company as per rules of the Company.
- l. **Other Allowance/benefits/perquisites:** Any other allowance, benefits and perquisites as per the Rules applicable to senior executives of the Company and/or which may be applicable in the future and/or any other allowance, benefit, perquisite as the Board of Directors may decide from time to time.
- m. **Leave Travel Concession:** For the MD and his family once in a year incurred in accordance with any rules specified by the Company.
Explanation: For the aforesaid purposes "Family" means the spouse, the dependent children and dependent parents of the MD. Perquisites shall be evaluated as per income Tax Rules, 1962, wherever applicable and in the absence of any such rules, perquisites shall be valued at actual cost.
- n. **Commission:** As the Board of Directors of the Company may, upon recommendation or, if required, approval of the Nomination and Remuneration Committee, at their sole discretion, approve, from time to time, payable quarterly or at other intervals, as may be decided by the Board.
- o. **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.
- p. **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.
None of the Directors and Key Managerial Personnel of the Company and their relatives except Mr. Rahul Jain, Mr. Gautam Chand Jain, Mrs. Apurva Jain and their respective relatives are concerned or interested, financially or otherwise, in the resolution mentioned at Item No. 5 of the Notice.
The Board recommends the resolution set forth in Item No. 5 for the approval of the Members.

Item No. 6

The Company is required under Section 148 of the Act to have the audit of its cost records of its quarrying operations conducted by a Cost Accountant in Practice. The Board of Directors of the Company has on the recommendation of the Audit Committee, approved the appointment and remuneration of Messrs DZR & Co., Cost Accountants, the Cost Auditors of the Company to conduct the audit of cost records of the Company for products covered under the Companies (Cost Records and Audit) Rules, 2014 for the Financial Year ending March 31, 2017, at a remuneration of ₹ 1,00,000 plus reimbursement of out-of-pocket expenses.

In accordance with the provisions of Section 148 of the Act read with Companies (Cost Records and Audit) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors has to be ratified by the members of the Company.

Accordingly, the consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 6 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year ending March 31, 2017.

None of the Directors and Key Managerial Personnel of the Company and their respective relatives are concerned or interested, financially or otherwise in the Resolution mentioned at Item No. 6 of the Notice.

The Board recommends the resolution set forth in Item No. 6 for the approval of the Members.

Item No. 7

Rule 19(2) of the Securities Contracts (Regulations) Rules, 1957 provides that the Articles of Association ("AoA") of a Company which is desirous of listing its securities on the stock exchange shall be inclusive of the following clauses, amongst others:

1. No unclaimed dividend shall be forfeited before the claim becomes barred by law; and
2. Right to call of shares shall not be given to any person except with the sanction of the Company in General Meetings.

The Company filed application with National Stock Exchange of India Limited ("NSE"), for Listing its Equity Shares on the said Exchange. The Company had given an undertaking to "NSE" to amend the AoA of the Company, at the first general meeting of the Company to be held after the listing of its equity shares, by adding clauses to it, as proposed in the resolution.

As per the provisions of section 14 of the Companies Act, 2013, approval of the shareholders by way of a special resolution is required to amend the AoA of a company. Accordingly, the amendment to the AoA of the Company is proposed for approval of the Members.

A copy of the Memorandum and AoA of the Company together with the proposed alterations is available for inspection by the members of the Company at its Registered Office between 11.00 a.m. to 5.00 p.m. on any working day of the Company. A copy of the Memorandum and AoA of the Company together with the proposed alterations are also being uploaded on the Company's website, i.e. www.pokarna.com for perusal by the Members.

None of the Directors and Key Managerial Personnel of the Company and their respective relatives are concerned or interested, financially or otherwise in the Resolution mentioned at Item No. 7 of the Notice.

The Board recommends the resolution set forth in Item No. 7 for the approval of the Members.

Registered Office:

105, First Floor, Surya Towers,
S. P. Road, Secunderabad - 500 003.
CIN : L14102TG1991PLC013299
Date : May 30, 2016

By Order of the Board

Sd/-
Vinay Paruchuru
Company Secretary
ACS No. A33145

DIRECTORS' REPORT TO THE SHAREHOLDERS

Dear Members,

Your Directors take pleasure in presenting the 25th Annual Report with Audited Accounts for the year ended March 31, 2016.

FINANCIAL HIGHLIGHTS

Particulars	Standalone		Consolidated	
	2015-16	2014-15	2015-16	2014-15
Total income	19715.95	19593.36	39970.28	33350.81
Less-expenditure	16942.63	17061.48	31622.70	29809.59
Profit/(Loss) Before tax and extra-ordinary items	2773.32	2531.88	8347.58	3541.22
Total tax expenses	1048.51	906.39	1474.77	1197.03
Exceptional / Extra-ordinary item	-	-	1751.95	(791.96)
Profit after tax and Extra-ordinary item	1724.81	1625.49	5120.86	3136.15

₹ In Lacs

DIVIDEND

The Directors are pleased to recommend the dividend of ₹ 10 per equity share (which includes one-time special silver jubilee dividend of ₹ 7 per equity share) for the Financial Year ended March 31, 2016. The dividend is subject to the approval of the Members at the Annual General Meeting ("AGM") scheduled on Friday, September 16, 2016. The total dividend pay-out works out to 35.95% (Financial Year 2014-15: 11.45%) of the net profit for the standalone results.

The Register of Members and Share Transfer Books will remain closed from September 10, 2016 to September 16, 2016 (both days inclusive) for the purpose of payment of the dividend for the Financial Year ended March 31, 2016 and the AGM.

TRANSFER TO RESERVES

No amount is proposed for transfer to the general reserve. An amount of ₹ 1,724.81 Lacs is proposed to be retained in the profit and loss account.

OVERVIEW AND THE STATE OF THE COMPANY AFFAIRS

Your company couldn't operationalize new quarries in granite due to delays in getting leases and environmental clearances. Added to this is competition from Brazilian exporters who are selling in record quantities to the USA, but at low prices and giving extended payment terms. The above factors and tepid demand from China for granite blocks contributed to almost flat performance in granite business. Apparel manufacturing and retailing business have been through several iterations in its model to make it work, but gestation period seems to be longer than what we envisaged. Given the favorable demand outlook, quartz surfaces business is expected to further improve capacity utilization and is well placed to benefit from the accelerated growth in the sector.

During the financial year under review, on a standalone basis, the Company achieved revenue of ₹ 19,292.68 Lacs as against ₹19,062.94 Lacs in the previous year, thereby registering a growth of 1.21%. EBIDTA for the year under review was ₹ 5,025.74 Lacs, as against ₹4,878.80 Lacs representing a increase of 3.01%. The net profit for the year March 31, 2016 increased from ₹ 1,625.49 Lacs to ₹ 1,724.81 Lacs, showing a growth of 6.11%.

On a consolidated basis, during the financial year under review, the Company achieved revenue of ₹ 39,432.27 Lacs as against ₹ 32,635.93 Lacs in the previous year, thereby registering a growth of 20.82%. EBIDTA for the year under review was ₹ 13,853.48 Lacs, as against ₹ 9,072.29 Lacs representing a growth of 52.70%. The net profit for the year March 31, 2016 increased from ₹ 3,136.15 Lacs to ₹ 5,120.86 Lacs, showing a growth of 63.29%. The increased bottom line translated into improved earnings per share from ₹ 50.58 in 2014-15 to ₹ 82.58 in 2015-16 on a consolidated basis.

The Company could achieve such remarkable growth and performance due to wholly owned subsidiary viz Pokarna Engineered Stone Limited implementing tighter operating controls, prudent raw material sourcing, increased capacity utilization, superior product mix and controlled overheads.

DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, cost and secretarial auditors and the reviews performed by the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2015-16. Accordingly, pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- that they have, in the selection of the accounting policies, consulted the Statutory Auditors and have applied their recommendations consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year and of the profit of the Company for that period;
- they have taken proper and sufficient care to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- they have prepared the annual accounts on a going concern basis;
- they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- A proper system has been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

Pursuant to AS-21 issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements presented by the Company include the financial information of Pokarna Engineered Stone Limited ("PESL"), the wholly owned subsidiary company. The Company had no joint venture or associate during the financial year 2015-16.

As per the requirement of Section 129(3) of the Companies Act, 2013, a separate statement containing the salient features of the financial statements of the subsidiary in prescribed Form AOC-1 is attached to the financial statements of the Company. The Audited Accounts of the subsidiary companies will be available on the website of the Company - www.pokarna.com. The financial performance of PESL is given below:

During the financial year under review, PESL achieved revenue of ₹ 20,147.68 Lacs as against ₹ 13,573.59 Lacs in the previous year, thereby registering a growth of 48.43%. EBIDTA for the year under review was ₹ 9,106.64 Lacs as against ₹ 4,347.08 Lacs in the previous year, representing a growth of 109.49%. The net profit for the year March 31, 2016 increased from ₹ 3,397.73 Lacs to ₹ 1,511.02 Lacs, showing a growth of 124.86%.

CONSOLIDATED FINANCIAL STATEMENT

In accordance with the Act, read with the Companies (Accounts) Rules, 2014 and Accounting Standard (AS)-21 on Consolidated Financial Statements, the Audited Consolidated Financial Statement is provided in the Annual Report.

CORPORATE DEBT RESTRUCTURING

PESL resorted to Corporate Debt Restructuring ("CDR") mechanism in March 2012 due to the adverse business scenario. PESL achieved turnaround in very short period of about 4 years and has opted for voluntary exit from CDR mechanism. The exit from CDR mechanism is subject to approval by the competent authorities of respective banks and the CDR empowered group. This is one of the shortest turnarounds in the history of CDR mechanism. The provision for recompense amount of ₹ 1751.95 Lacs has been made in the Financials Statements of PESL for the year ended March 31, 2016. For further details, refer Note. 2.24 in Consolidated Financial Statements.

CDR exit will lead to greater operational and financial flexibility to PESL and it can go ahead with its growth plans.

CORPORATE GOVERNANCE

The Directors reaffirm their commitment to good corporate governance practices. During the year under review, the Company was in compliance with the provisions relating to corporate governance as provided under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"). The compliance report is provided in the Corporate Governance section of this Annual Report. The auditor's certificate on compliance with the conditions of corporate governance of the Listing Regulations is given in Annexure to this Report.

The Managing Director and Chief Financial Officer of the Company have issued necessary certificate pursuant to the provisions of Regulation 17(8) of the Listing Regulations and the same forms part of this Report.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Management's Discussion & Analysis Report for the year under review is presented in a separate section forming part of the Annual Report.

BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Reporting as required by Regulation 34(2) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, is not applicable to your Company for the financial year ending March 31, 2016.

CORPORATE SOCIAL RESPONSIBILITY

The Company is a caring corporate citizen and lays significant emphasis on the development of the host communities around which it operates. The Company, with this intent, has identified projects relating to Health Care, Sanitation, and Education during the year and initiated various activities in neighboring villages around its plant location. The Corporate Social Responsibility Policy is available on your Company's website, <http://www.pokarna.com/wp-content/uploads/2016/04/CSR-Policy.pdf>.

The Annual Report on CSR activities is given in Annexure II to this Report

At the end of the year, there is an unspent CSR amount of ₹ 21,80,289/- Company proposes to accumulate the CSR funds, in order to take up the large projects, which would benefit the public at large.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mrs. Apurva Jain, retires by rotation and, being eligible, seeks re-appointment.

Based on the recommendation of the Nomination and Remuneration Committee, Mr. Rahul Jain was appointed as the Managing Director of the Company with effect from May 2, 2016, subject to the approval of the Members in the ensuing AGM.

The Board recommends the appointment of Mr. Rahul Jain and the re-appointment of Mrs. Apurva Jain. Items seeking your approval on the above are included in the Notice convening the AGM. Brief resumes of the directors being appointed / re-appointed form part of the Notice of the ensuing AGM.

During the financial year 2015-16, Mr. Gautam Chand Jain, Mr. Rahul Jain, and Mrs. Apurva Jain have not received any commission / remuneration from the subsidiary company.

FORMAL ANNUAL EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations, the Board has carried out an evaluation of its own performance, Committees, and performance of individual Directors. The performance of the Board, Committees, and individual directors was evaluated by seeking inputs from all Directors. The performance of the individual Directors, including Independent Directors performance and role of the Board / Committees were also discussed at the Board Meeting.

COMMITTEES OF THE BOARD

AUDIT COMMITTEE

The Audit Committee comprises of Mr. Meka Yugandhar, Mr. Thati Venkataswamy Chowdary, Mr. Vinayak Rao Juvvadi and Mr. Mahender Chand, all Independent Directors. Further, details relating to the Audit Committee are provided in the Corporate Governance Report forming part of this Annual Report.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee (“NRC”) comprises of Mr. Meka Yugandhar, Mr. Thati Venkataswamy Chowdary, Mr. Mahender Chand, Independent Directors and Mr. Prakash Chand Jain, Non-Executive Director. Further, details relating to the NRC are provided in the Corporate Governance Report forming part of this Annual Report.

STAKEHOLDER RELATIONSHIP COMMITTEE

The Stakeholder Relationship Committee (“SRC”) comprises of Mr. Meka Yugandhar, Mr. Thati Venkataswamy Chowdary, Independent Directors and Mr. Rahul Jain, Managing Director. Further, details relating to the SRC are provided in the Corporate Governance Report forming part of this Annual Report.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee (“CSRC”) comprises of Mr. Meka Yugandhar, Mr. Vinayak Rao Juvvadi, Independent Directors, and Mr. Gautam Chand Jain, Chairman and Managing Director. Further, details relating to the CSRC are provided in the Corporate Governance Report forming part of this Annual Report.

RISK MANAGEMENT POLICY

In terms of provisions of Section 134(3)(n) of the Companies Act, 2013, the Company has framed and put in place a Risk Management policy to mitigate the risks, both internal and external, which the Company is exposed to. The risk management policy of the Company is uploaded on the website of the Company i.e. <http://www.pokarna.com/wp-content/uploads/2014/07/Risk-Management-Policy.pdf>

Business Risk Assessment procedures have been set in place for self-assessment of business risks, operating controls and compliance with the Corporate Policies. The Company manages, monitors and reports on the principal risks and uncertainties that can impact the ability to achieve the objectives. This is an ongoing process to track the evaluation of risks and delivery of mitigating action plans.

There is no identification of risks which in the opinion of the Board may threaten the existence of the Company.

RELATED PARTY TRANSACTIONS

All transactions entered with Related Parties for the year under review were on arm’s length basis and there are no material related party transactions as per the provisions of Section 188 of the Companies Act, 2013 and the Rules made thereunder. Thus, disclosure in form AOC-2 in terms of Section 134 of the Companies Act, 2013 is not required. The Company has developed a framework through Standard Operating Procedures for the purpose of identification and monitoring of such Related Party Transactions.

All Related Party Transactions are placed before the Audit Committee as also to the Board for approval. Transactions entered into pursuant to omnibus approval are placed before the Audit Committee and the Board for review and approval on a quarterly basis.

The policy on Related Party Transactions as approved by the Board of Directors has been uploaded on the website of the Company <http://www.pokarna.com/wp-content/uploads/2016/04/RPT-policy.pdf>

Your attention is drawn to the Related Party disclosures set out in Note no. 2.27 of the Standalone Financial Statements.

INTERNAL FINANCIAL CONTROLS

The Board of Directors “Board” has devised systems, policies and procedures / frameworks, which are currently operational within the Company for ensuring the orderly and efficient conduct of its business, which includes adherence to Company’s policies and standard operating procedures, safeguarding assets of the Company, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial information. In line with best practices, the Audit Committee and the Board reviews these internal control systems to ensure they remain effective and are achieving their intended purpose. Where weaknesses, if any, are identified as a result of the reviews, new procedures are put in place to strengthen controls. These controls are in turn reviewed at regular intervals.

The Company's internal financial control system comprises in-house Internal Audit Division, supplemented by internal audit checks from M. Murali Jaganmohan, Chartered Accountant, the Internal Auditors. The Company's system of internal audit includes: covering quarterly verification of inventory, a monthly review of accounts and a quarterly review of critical business processes. The Internal Auditors also concurrently audit the majority of the transactions in value terms.

To further strengthen the legal compliance process, the Company is in final stages of implementing web based comprehensive legal compliance tool that tracks compliances across factories, mines and other places of business. This tool drills down from the CMD to the executive level person who is responsible for compliance. This tool when fully implemented will automate the compliance process and will generate alerts for proper and timely compliance. The tool is expected to be made fully operational during FY 2017.

Due to the limitations inherent in any risk management system, the process for identifying, evaluating, and managing the material business risks is designed to manage, rather than eliminate risk. Besides it is created to provide reasonably, but not absolute assurance against material misstatement or loss.

Since the Company has strong internal control systems which get further accentuated by review of SEBI Regulations, Companies Act, 2013, the CMD and CFO give their recommendation for strong internal financial control to the Board.

Based on the information provided, nothing has come to the attention of the Directors to indicate that any material breakdown in the function of these controls, procedures or systems occurred during the year under review. There have been no significant changes in the Company's internal financial controls during the year that have materially affected or are reasonably likely to materially affect its internal financial controls.

There are inherent limitations to the effectiveness of any system of disclosure, controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their objectives. Moreover, in the design and evaluation of the Company's disclosure controls and procedures, the management was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

AUDIT AND AUDIT REPORTS

STATUTORY AUDITORS

Pursuant to the provisions of Section 139 of the Act and the Companies (Audit and Auditors) Rules, 2014, M/s. S. Daga & Co., Chartered Accountants (Reg. No. 000669S), the Statutory Auditors of the Company, hold office up to the conclusion of the ensuing AGM and are eligible for re-appointment. The consent of the Auditors and certificate u/s 139 of the Act have been obtained from each of the Auditors to the effect that their re-appointment, if made, would be in accordance with the prescribed conditions and that they are eligible to hold the office of the Auditors of the Company. Auditors' Report does not contain any qualification, reservation or adverse remark. With regard to observation on non-payment of advance tax for the financial year 2015-16, Company shall pay the same on or before the due date of filing of return of income, pursuant to Section 139 of Income Tax Act, 1961.

COST AUDITORS

Pursuant to the provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, as amended, Notifications/ Circulars issued by the Ministry of Corporate Affairs from time to time, your Board has appointed M/s. DZR & Co., Cost Accountants, Cost Accountants, Hyderabad, as the Cost Auditors to conduct the cost audit of the quarrying operations of the Company for the financial year 2016-17 at a remuneration as mentioned in the Notice convening the AGM.

SECRETARIAL AUDITORS

During the year, Secretarial Audit was carried out by Mr. K.V. Chalamareddy Practicing Company Secretary, the Secretarial Auditor of the Company for the financial year 2015-16. There were no qualifications, reservations or adverse remarks given by Secretarial Auditors of the Company. The detailed report on the Secretarial Audit is appended as an Annexure IV to this Report.

DISCLOSURES

VIGIL MECHANISM / WHISTLEBLOWER POLICY

Your Company has established a robust Vigil Mechanism for reporting of concerns through the Whistleblower Policy of the Company. Adequate safeguards are provided against victimization to those who avail of the mechanism and access to the Chairman of the Audit Committee in exceptional cases is provided to them. The details of the Vigil Mechanism is also provided in the Corporate Governance Report and the Whistleblower Policy has been uploaded on the website of the Company <http://www.pokarna.com/wp-content/uploads/2014/07/Whistle-Blower-Policy.pdf>.

MEETINGS OF THE BOARD

The Board of Directors of your Company met six times during the year (including the separate meeting of independent directors) to deliberate on various matters. The meetings were held on May 25, 2015, July 22, 2015, September 16, 2015, October 29, 2015, February 08, 2016 and March 29, 2016. Further details on the Board of Directors are provided in the Corporate Governance Report forming part of this Annual Report.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Details of loans given, investments made, guarantees given and securities provided and investments covered under the provisions of Section 186 of the Act are covered in the Note 2.27 to the Financial Statements.

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

Information relating to the conservation of energy, technology absorption and foreign exchange earnings and outgo, as stipulated under Section 134(3)(m) of the Act read with the Companies (Accounts) Rules, 2014, is given in Annexure 'V' to this Report.

EXTRACT OF ANNUAL RETURN

The extract of annual return in Form MGT-9 as required under Section 92(3) and Rule 12 of the Companies (Management and Administration) Rules, 2014 is given in Annexure 'I' to this Report.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THE FINANCIAL STATEMENT RELATES AND THE DATE OF THE REPORT

Except as disclosed elsewhere in this Report, no material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year of the Company and the date of this Report.

PARTICULARS OF EMPLOYEES

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

The Disclosure required under Section 197(12) of Companies Act 2013 read with the Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is given in Annexure 'III' to this Report.

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

As required by the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has formulated and implemented a policy on prevention of sexual harassment at the workplace with a mechanism of lodging complaints. During the year under review, no complaints were reported to the Committee.

DEPOSITS

During the year under review, the Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act, 2013 (the Act) read with the Companies (Acceptance of Deposits) Rules, 2014. Hence, the requirement for furnishing details of deposits which are not in compliance with Chapter V of the Act is not applicable.

HUMAN RESOURCES

Your Company believes that Human Resources will play a significant role in its future growth. With an unswerving focus on nurturing and retaining talent, your Company provides avenues for learning and development through functional, behavioral and leadership training programs, knowledge exchange conferences, communication channels for information sharing to name a few.

GENERAL

The Company has adopted the policies in line with new governance requirements including the Policy on Related Party Transactions, Policy on Material Subsidiaries, CSR Policy and Whistleblower Policy. These policies are available on the website of the Company at www.pokarna.com.

As on March 31, 2016, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

During the year under review, the Company has not issued shares with differential voting rights nor has granted any stock options or sweat equity.

There are no significant and material orders passed by the Regulators/Courts that would impact the going concern status of the Company and its future operations.

ACKNOWLEDGMENT

Directors place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment. The enthusiasm and unstinting efforts of the employees have enabled the Company to attain this position. The Board places on record its appreciation for the support and co-operation your Company has been receiving from its Suppliers, Distributors, Business partners and others associated with the Company. It will be the Company's endeavour to build and nurture strong links with the trade based on mutuality of benefits, respect for and cooperation with each other, consistent with client interests.

The Directors also take this opportunity to thank all Investors, Customers, Vendors, Banks, Government and Regulatory Authorities and Stock Exchange, for their continued support.

For and on behalf of the Board

Sd/-

Gautam Chand Jain

Chairman & Managing Director

(DIN: 00004775)

Date : May 30, 2016

Place: Secunderabad

FORM NO. MGT- 9

EXTRACT OF ANNUAL RETURN

As On The Financial Year Ended On March 31, 2016

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

I. REGISTRATION AND OTHER DETAILS:

- i) **CIN:** L14102TG1991PLC013299
- ii) **Registration Date:** 09/10/1991
- iii) **Name of the Company:** Pokarna Limited
- iv) **Category / Sub-Category of the Company:** Company Limited by Shares / Indian Non-Government Company
- v) **Address of the Registered office and contact details:** 105, 1st Floor, Surya Towers, Secunderabad, Telangana State - 500003, India. Tel: +91 40-2789 7722, Fax: +91 40-2784 2121, Email: contact@pokarna.com ● Website: www.pokarna.com
- vi) **Whether listed company:** Yes
- vii) **Name, Address and Contact details of Registrar and Transfer Agent, if any:** Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032, Ph: +91 4067161616

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Business activities contributing 10% or more of the total turn over of the Company:

S. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the Company
1.	Processing and sale of granite slabs	23960	51.28%
2.	Mining and sale of granite blocks	08102	42.39%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

CATEGORY CODE	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR			NO. OF SHARES HELD AT THE END OF THE YEAR			% CHANGE DURING THE YEAR	
		DEMAT (III)	PHYSICAL (IV)	TOTAL (V)	% OF TOTAL SHARES (VI)	DEMAT (VII)	PHYSICAL (VIII)		TOTAL (IX)
(I)	(II)								
(A)	PROMOTER AND PROMOTER GROUP								
(1)	INDIAN								
(a)	Individual /HUF	3513777	-	3513777	56.67	3513777	-	3513777	56.67
(b)	Central Government/State Government(s)	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	-	-	-	-
(d)	Financial Institutions / Banks	-	-	-	-	-	-	-	-
(e)	Others	-	-	-	-	-	-	-	-
	Sub-Total A(1) :	3513777	-	3513777	56.67	3513777	-	3513777	56.67
(2)	FOREIGN								
(a)	Individuals (NRIs/Foreign Individuals)	-	-	-	-	-	-	-	-
(b)	Bodies Corporate	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-	-
(e)	Others	-	-	-	-	-	-	-	-
	Sub-Total A(2) :	-	-	-	-	-	-	-	-
	Total A=A(1)+A(2)	3513777	-	3513777	56.67	3513777	-	3513777	56.67
(B)	PUBLIC SHAREHOLDING								
(1)	INSTITUTIONS								
(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	116805	-	116805	1.88	73375	-	73375	1.18
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-
(h)	Qualified Foreign Investor	-	-	-	-	-	-	-	-
(i)	Others	-	-	-	-	-	-	-	-
	Sub-Total B(1) :	116805	-	116805	1.88	73375	-	73375	1.18
									-0.70

CATEGORY CODE	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR				NO. OF SHARES HELD AT THE END OF THE YEAR				% CHANGE DURING THE YEAR
		PHYSICAL		% OF TOTAL SHARES		PHYSICAL		% OF TOTAL SHARES		
		DEMAT (III)	(IV)	TOTAL (V)	(VI)	DEMAT (VII)	(VIII)	TOTAL (IX)	(X)	
(I)	(II)									
(2)	NON-INSTITUTIONS									
(a)	Bodies Corporate	567310	-	567310	9.15	339526	-	339526	5.48	-3.67
(b)	Individuals									
	(i) Individuals holding nominal share capital upto Rs.1 lakh	618106	117926	736032	11.87	967862	103526	1071388	17.28	0.00
	(ii) Individuals holding nominal share capital in excess of Rs.1 lakh	1234713	-	1234713	19.91	1114429	-	1114429	17.97	5.41
(c)	Others									
	CLEARING MEMBERS	21675	-	21675	0.35	10590	-	10590	0.17	-0.18
	NON RESIDENT INDIANS	9688	800	10488	0.17	76498	800	77298	1.25	1.08
	TRUSTS	-	-	-	-	417	-	417	0.01	0.01
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
	Sub-Total B(2) :	2451492	118726	2570218	41.45	2509322	104326	2613648	42.15	0.70
	Total B=B(1)+B(2) :	2568297	118726	2687023	43.33	2582697	104326	2687023	43.33	-
	Total (A+B) :	6082074	118726	6200800	100.00	6096474	104326	6200800	100.00	-
(C)	Shares held by custodians, against which Depository Receipts have been issued									
(1)	Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
(2)	Public	-	-	-	-	-	-	-	-	-
	GRAND TOTAL (A+B+C) :	6082074	118726	6200800	100.00	6096474	104326	6200800	100.00	-

(i) Shareholding of Promoters & Changes during the year

S. No.	Name of the Promoter	No of Shares held at the beginning of the year	Change in Shareholding	No. of shares held at the end of the year	Reason for change	PLEDGE Shares at the beginning of the year	PLEDGE Shares at the end of the year
1	K Ashok Chand Jain	600000	25000	625000	Inter-se transfer among promoters	-	-
2	K Raaj Kumar Jain	510150	-	510150	NA	-	-
3	K Gautam Chand Jain	500000	-	500000	NA	-	-
4	K Prakash Chand Jain	500000	-	500000	NA	-	-
5	K Dilip Kumar Jain	500000	-	500000	NA	-	-
6	Chaya Jain	100000	-	100000	NA	-	-
7	Rahul Jain	100000	-	100000	NA	-	-
8	Neha Jain	100000	-	100000	NA	-	-
9	Rekha Jain	100000	-	100000	NA	-	-
10	Anju Jain	100000	-	100000	NA	-	-
11	Ritu Jain	100000	-	100000	NA	-	-
12	Vidya Jain	100000	-	100000	NA	-	-
13	Pratik Jain	28627	-	28627	NA	-	-
14	Sonal Jain	25000	-	25000	NA	-	-
15	Ekta Jain	25000	-	25000	NA	-	-
16	Ria Jain	25000	-	25000	NA	-	-
17	Nidhi Jain	25000	-	25000	NA	-	-
18	Harshitha Jain	25000	-	25000	NA	-	-
19	Megha Jain	25000	-	25000	NA	-	-
20	Sneha Jain	25000	(25000)	-	Inter-se transfer among promoters	-	-
		3513777	-	3513777		-	-

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

S. No.	Name of the Share Holder	No of Shares	% of total shares of the company	Date	Increase/ Decrease in share holding	Reason	No of Shares	% of total shares of the company
1	Ashish Kacholia	303315	4.89	31/03/2015			303315	4.89
				01/05/2015	45000	Transfer	348315	5.62
				04/09/2015	5000	Transfer	353315	5.70
				18/09/2015	2000	Transfer	355315	5.73
				31/03/2016			355315	5.73
2	Nemi Chand	300000	4.84	31/03/2015			300000	4.84
				31/03/2016			300000	4.84
3	Sanjiv Dhiresbhai Shah	153139	2.47	31/03/2015			153139	2.47
				24/04/2015	-2000	Transfer	151139	2.44
				15/05/2015	-1100	Transfer	150039	2.42
				22/05/2015	-3421	Transfer	146618	2.36
				29/05/2015	-20533	Transfer	126085	2.03
				05/06/2015	-34783	Transfer	91302	1.47
				12/06/2015	-2305	Transfer	88997	1.44
19/06/2015	-16810	Transfer	72187	1.16				

S. No.	Name of the Share Holder	No of Shares	% of total shares of the company	Date	Increase/ Decrease in share holding	Reason	No of Shares	% of total shares of the company
				26/06/2015	-6000	Transfer	66187	1.07
				10/07/2015	-5800	Transfer	60387	0.97
				17/07/2015	-4893	Transfer	55494	0.89
				24/07/2015	-12294	Transfer	43200	0.70
				07/08/2015	-2700	Transfer	40500	0.65
				28/08/2015	-900	Transfer	39600	0.64
				11/09/2015	-919	Transfer	38681	0.62
				30/10/2015	-4300	Transfer	34381	0.55
				06/11/2015	-1501	Transfer	32880	0.53
				13/11/2015	-3633	Transfer	29247	0.47
				31/03/2016			29247	0.47
4	Premier Investment Fund Limited	116805	1.88	31/03/2015			116805	1.88
				17/04/2015	-280	Transfer	116525	1.88
				24/04/2015	-3744	Transfer	112781	1.82
				03/07/2015	1835	Transfer	114616	1.85
				17/07/2015	-1186	Transfer	113430	1.83
				24/07/2015	-22359	Transfer	91071	1.47
				31/07/2015	-3000	Transfer	88071	1.42
				21/08/2015	-3764	Transfer	84307	1.36
				28/08/2015	-5000	Transfer	79307	1.28
				04/09/2015	-8150	Transfer	71157	1.15
				18/09/2015	-1835	Transfer	69322	1.12
				30/09/2015	-2088	Transfer	67234	1.08
				09/10/2015	-1428	Transfer	65806	1.06
				16/10/2015	-566	Transfer	65240	1.05
				23/10/2015	-1000	Transfer	64240	1.04
				22/01/2016	-3000	Transfer	61240	0.99
				12/02/2016	-6425	Transfer	54815	0.88
				31/03/2016			54815	0.88
5	Globe Capital Market Limited	89850	1.45	31/03/2015			89850	1.45
				03/04/2015	-500	Transfer	89350	1.44
				10/04/2015	10	Transfer	89360	1.44
				17/04/2015	-75	Transfer	89285	1.44
				24/04/2015	10	Transfer	89295	1.44
				01/05/2015	-5	Transfer	89290	1.44
				08/05/2015	-95	Transfer	89195	1.44
				15/05/2015	-100	Transfer	89095	1.44
				29/05/2015	5	Transfer	89100	1.44
				05/06/2015	51	Transfer	89151	1.44
				12/06/2015	-51	Transfer	89100	1.44
				19/06/2015	-20	Transfer	89080	1.44
				30/06/2015	-20	Transfer	89060	1.44
				03/07/2015	26	Transfer	89086	1.44
				10/07/2015	-6	Transfer	89080	1.44
				24/07/2015	-20	Transfer	89060	1.44
				07/08/2015	500	Transfer	89560	1.44
				07/08/2015	-400	Transfer	89160	1.44
				21/08/2015	12	Transfer	89172	1.44
				21/08/2015	-50000	Transfer	39172	0.63
				28/08/2015	173	Transfer	39345	0.63

S. No.	Name of the Share Holder	No of Shares	% of total shares of the company	Date	Increase/ Decrease in share holding	Reason	No of Shares	% of total shares of the company
				28/08/2015	-10000	Transfer	29345	0.47
				04/09/2015	37	Transfer	29382	0.47
				04/09/2015	-10000	Transfer	19382	0.31
				11/09/2015	-2	Transfer	19380	0.31
				18/09/2015	-25	Transfer	19355	0.31
				25/09/2015	-35	Transfer	19320	0.31
				30/09/2015	-500	Transfer	18820	0.30
				09/10/2015	-400	Transfer	18420	0.30
				16/10/2015	30	Transfer	18450	0.30
				30/10/2015	-5030	Transfer	13420	0.22
				06/11/2015	790	Transfer	14210	0.23
				13/11/2015	-50	Transfer	14160	0.23
				20/11/2015	107	Transfer	14267	0.23
				27/11/2015	-7	Transfer	14260	0.23
				11/12/2015	-100	Transfer	14160	0.23
				18/12/2015	-1000	Transfer	13160	0.21
				31/12/2015	-210	Transfer	12950	0.21
				12/02/2016	44	Transfer	12994	0.21
				31/03/2016			12994	0.21
6	Asha Mukul Agrawal	59993	0.97	31/03/2015			59993	0.97
				04/12/2015	-15857	Transfer	44136	0.71
				11/12/2015	-938	Transfer	43198	0.70
				18/12/2015	-11017	Transfer	32181	0.52
				25/12/2015	-24	Transfer	32157	0.52
				31/12/2015	-6157	Transfer	26000	0.42
				01/01/2016	-1000	Transfer	25000	0.40
				31/03/2016			25000	0.40
7	Suresh Bhatia	56000	0.90	31/03/2015			56000	0.90
				17/04/2015	-41000	Transfer	15000	0.24
				03/07/2015	8000	Transfer	23000	0.37
				03/07/2015	-15000	Transfer	8000	0.13
				27/11/2015	30000	Transfer	38000	0.61
				04/12/2015	7000	Transfer	45000	0.73
				31/12/2015	25500	Transfer	70500	1.14
				31/12/2015	-8000	Transfer	62500	1.01
				31/03/2016			62500	1.01
8	Nisarg Ajaykumar Vakharia	50000	0.81	31/03/2015			50000	0.81
				04/12/2015	-25000	Transfer	25000	0.40
				31/12/2015	-25000	Transfer	-	-
				31/03/2016			-	-
9	Gaurav Sanghvi	-	-	31/03/2015			-	-
				17/04/2015	50000	Transfer	50000	0.81
				31/03/2016			50000	0.81
10	Jigar Lalchand Shah	-	-	31/03/2015			-	-
				30/10/2015	26063	Transfer	26063	0.42
				06/11/2015	15728	Transfer	41791	0.67
				06/11/2015	-15667	Transfer	26124	0.42
				20/11/2015	10396	Transfer	36520	0.59
				20/11/2015	-10396	Transfer	26124	0.42
				18/12/2015	6020	Transfer	32144	0.52

S. No.	Name of the Share Holder	No of Shares	% of total shares of the company	Date	Increase/ Decrease in share holding	Reason	No of Shares	% of total shares of the company
				08/01/2016	7020	Transfer	39164	0.63
				08/01/2016	-6020	Transfer	33144	0.53
				22/01/2016	6426	Transfer	39570	0.64
				12/02/2016	10	Transfer	39580	0.64
				26/02/2016	13	Transfer	39593	0.64
				04/03/2016	802	Transfer	40395	0.65
				31/03/2016			40395	0.65
11	Globe Fincap Limited	40000	0.65	31/03/2015			40000	0.65
				10/04/2015	-10000	Transfer	30000	0.48
				24/04/2015	-15000	Transfer	15000	0.24
				08/05/2015	-4077	Transfer	10923	0.18
				15/05/2015	-10923	Transfer	-	-
				31/03/2016			-	-
12	Trans Scan Securities Pvt. Ltd.	35000	0.56	31/03/2015			35000	0.56
				10/04/2015	-35000	Transfer	-	-
				31/03/2016			-	-
13	Krishna Kumar Karwa	30000	0.48	31/03/2015			30000	0.48
				31/03/2016			30000	0.48
14	Prem Behari Vaid	28206	0.45	31/03/2015			28206	0.45
				03/04/2015	-500	Transfer	27706	0.45
				31/03/2016			27706	0.45
15	Sanblue Corporation Limited	32628	0.53	31/03/2015			32628	0.53
				10/04/2015	-4100	Transfer	28528	0.46
				17/04/2015	-4876	Transfer	23652	0.38
				24/04/2015	-745	Transfer	22907	0.37
				15/05/2015	-2909	Transfer	19998	0.32
				12/06/2015	-285	Transfer	19713	0.32
				19/02/2016	5500	Transfer	25213	0.41
				31/03/2016			25213	0.41

Note: Details of top ten shareholders as on March 31, 2015 and March 31, 2016 are included in the aforementioned table.

(iii) Shareholding of Directors and Key Managerial Personnel;

S. No.	Name	Shareholding as on 01-04-2015		Shareholding as on 31-03-2016	
		No. of shares	% of total shares of the Company.	No. of shares	% of total shares of the Company.
1.	Gautam Chand Jain Chairman & Managing Director	500000	8.06	500000	8.06
2.	Rahul Jain Managing Director	100000	1.61	100000	1.61
3.	Prakash Chand Jain Non - Executive Director	500000	8.06	500000	8.06
4.	Meka Yugandhar Independent Director	Nil	Nil	Nil	Nil
5.	Vinayak Rao Juvvadi Independent Director	Nil	Nil	Nil	Nil
6.	Thati Venkataswamy Chowdary Independent Director	Nil	Nil	Nil	Nil
7.	Mahender Chand Independent Director	Nil	Nil	Nil	Nil

S. No.	Name	Shareholding as on 01-04-2015		Shareholding as on 31-03-2016	
		No. of shares	% of total shares of the Company.	No. of shares	% of total shares of the Company.
8.	Dhanji Lakhamsi Sawla Independent Director	Nil	Nil	Nil	Nil
9.	Apurva Jain Executive Director	Nil	Nil	Nil	Nil
10.	Viswanatha Reddy Chief Financial Officer	5	-	5	-
11.	Vinay Paruchuru Company Secretary	Nil	Nil	Nil	Nil

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

INDEBTEDNESS:

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

₹ In Lacs

Particulars	Secured Loans excluding deposit	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial year:				
i) Principal amount	7629.64	2408.78	--	10038.42
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not paid	38.74	737.51	--	776.25
Total (i+ii+iii)	7668.38	3146.29	--	10814.67
Change in indebtedness during the financial year				
Addition	2745.28	261.18	--	3006.46
Reduction	(2631.63)	(2168.38)	--	(4800.01)
Net Change	113.65	(1907.20)	--	(1793.55)
Indebtedness at the end of the financial year				
i) Principal amount	7743.29	501.58	--	8244.87
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not paid	43.88	--	--	43.88
Total (i+ii+iii)	7787.17	501.58	--	8288.75

VI. Remuneration of Directors and Key Managerial Personnel:

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

₹ In Lacs

S. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total amount
		Gautam Chand Jain	Rahul Jain	Apurva Jain	
1	Gross Salary				
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961.	120.00	120.00	12.00	252.00
	b) Value of perquisites u/s. 17(2) Income - Tax Act, 1961.	5.00	10.65		15.65
	c) Profits in lieu of Salary under Section 17(3) Income - Tax Act, 1961	--	--	--	--
2	Stock option	--	--	--	--
3	Sweat Equity	--	--	--	--
4	Commission	28.00	28.00	--	56.00
	- As a percentage of profit	0.86%	0.86%	--	--
5	Others, please specify	--	--	--	--
	Total (A)	153.00	158.65	12.00	323.65
6	Ceiling as per the Act	₹ 326.58 Lacs (being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)			

B. Remuneration to other directors:

S. No.	Particulars of Remuneration	Name of the other Director						Total amount
		Meka Yugandhar	Thati Venkataswamy Chowdary	Vinayak Rao Juvvadi	Mahender Chand	Dhaniji Lakhamji Sawla	Prakash Chand Jain	
1	Independent Directors							
	a) Fee for attending Board or Committee meetings	1.20	1.20	1.00	1.00	0.60	–	5.00
	b) Commission	5.00	5.00	5.00	5.00	5.00	–	25.00
	c) Others, if specify							
	Total (1)	6.20	6.20	6.00	6.00	5.60	–	30.00
2	Other Non-Executive Directors							
	a) Fee for attending Board or Committee meetings	–	–	–	–	–	0.80	0.80
	b) Commission	–	–	–	–	–	5.00	5.00
	c) Others, if specify	–	–	–	–	–	–	–
	Total (2)	–	–	–	–	–	5.80	5.80
	Total B = (1+2)	6.20	6.20	6.00	6.00	5.60	5.80	35.80
	Total Managerial Remuneration							359.45*
	Overall ceiling as per the Act	₹ 32.66 Lacs (being 1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)						

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

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

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

₹ In Lacs

S. No.	Particulars of Remuneration	Name of KMP other than MD/WTD/Manager		Total amount
		Viswanatha Reddy, Chief Financial Officer	Vinay Paruchuru, Company Secretary	
1	Gross Salary			
	d) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961.	53.69	6.96	60.65
	e) Value of perquisites u/s. 17(2) Income - Tax Act, 1961.	--	--	--
	f) Profits in lieu of Salary under Section 17(3) Income - Tax Act, 1961.	--	--	--
2	Stock option	--	--	--
3	Sweat Equity	--	--	--
4	Commission	--	--	--
	- As a percentage of profit	--	--	--
5	Others, please specify	--	--	--
	Total (A)	53.69	6.96	60.65

VII. PENALTIES/PUNISHMENTS/COMPOUNDING OF OFFENCES:

There were no penalties/punishments/compounding of offences under the Companies Act 2013 for the year ended March 31, 2016.

ANNEXURE - II

ANNUAL REPORT ON CSR ACTIVITIES UNDERTAKEN DURING THE YEAR

1. The Company has formulated the policy on Corporate Social Responsibility (CSR) as required under Section 134(o) of the Companies Act, 2013 and implemented the CSR initiatives, pursuant the said policy, during the year under review.

2. CSR THRUST AREAS:

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

2.1 Healthcare and sanitation, including but not limited to:

- a) Eradicating poverty, hunger and malnutrition.
- b) Establishment and management of healthcare infrastructure.
- c) Activities concerning or promoting:
 - i. specialized medical treatment in any medical institution
 - ii. general health care including preventive health care
 - iii. safe motherhood
 - iv. child survival support programs
 - v. better hygiene and sanitation
 - vi. adequate and potable water supply, etc.

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

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

2.3 Environment, including but not limited to:

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

3. Composition of CSR Committee:

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

4. Average net profit of the Company for last three financial years: ₹ 13,24,54,107/-

5. Prescribed CSR expenditure (i.e. 2% of the average net profits) for F.Y. 2015-16: ₹26,49,082/-

6. Amount carried forward from previous year: ₹ 4,94,087/-

7. Total amount available to be spent as CSR expenditure: ₹ 31,43,169/-

8. Details of CSR spent during the financial year;

- a) Total amount spent during F.Y. 2015-16 : ₹ 9,62,880/-
- b) Amount unspent, as on March 31, 2016: ₹ 21,80,289/-

c) Manner in which the amount spent during the financial year is detailed below:

S.No.	CSR Project or activity identified	Sector in which the project is covered	Projects or Programmes (1) Local area or other (2) Specify the state and district where projects or programs were undertaken	Amount outlay (budget) project or programs wise (In ₹)	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative Expenditure Upto the reporting period (In. ₹)	Amount spent: Direct or through implementing agency
1.	Project for supporting heart surgeries of children	Healthcare and sanitation	Local area Telangana State Hyderabad	5,00,000/-	Direct expenditure	5,00,000/-	Implementing Agency; Hrudaya Cure – A Little Heart' foundation
2.	Providing purified drinking water.	Healthcare and sanitation	Local area Telangana State Hyderabad	2,90,000/-	Direct expenditure	2,90,000/-	Direct
3.	Assisting in provision infrastructure facilities to orphan home.	Healthcare and sanitation	Local area Telangana State Hyderabad	1,10,600/-	Direct expenditure	1,10,600/-	Direct
4.	Providing potable drinking water, by providing financial aid in installation of bore well.	Healthcare and sanitation	Local area Telangana State Hyderabad	62,280/-	Direct expenditure	62,280/-	Direct

For Pokarna Limited,

Sd/-

Meka Yugandhar
Chairman of CSR Committee
DIN: 00012265

Sd/-

Gautam Chand Jain
Chairman & Managing Director
DIN: 00004775

Date: May 30, 2016
Place: Secunderabad

ANNEXURE - III

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

- (i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2015-16, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2015-16 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

S. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for financial year 2015-16 (₹ in Lacs)	% increase in Remuneration in the Financial Year 2015-16	Ratio of remuneration of each Director/ to median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the Company
a)	Gautam Chand Jain Chairman & Managing Director	153.00	5.99	102.00	Profit before tax has been increased by 9.54% and Profit after tax has been increased by 6.11%.
b)	Rahul Jain* Executive Director	158.65	16.30	105.77	
c)	Apurva Jain Executive Director	12.00	Nil	8.00	
d)	Prakash Chand Jain Director	5.00	11.11	3.33	
e)	Meka Yugandhar Director	5.00	11.11	3.33	
f)	Vinayak Rao Juvvadi Director	5.00	11.11	3.33	
g)	Thati Venkataswamy Chowdary Director	5.00	11.11	3.33	
h)	Mahender Chand Director	5.00	11.11	3.33	
i)	Dhanji Lakhamsi Sawla Director	5.00	11.11	3.33	
j)	Viswantha Reddy Chief Financial Officer	53.69	11.92	Not applicable	Profit before tax has been increased by 9.54% and Profit after tax has been increased by 6.11%.
k)	Vinay Paruchuru Company Secretary	6.96	18.97	Not applicable	

* has been appointed as Managing Director w.e.f. May 02, 2016

- (ii) The median remuneration of employees of the Company during the financial year was ₹ 1.50 Lacs.
- (iii) In the financial year, there was an increase of 12.48% in the median remuneration of employees;
- (iv) There were 720 permanent employees on the rolls of Company as on March 31, 2016;

Relationship between average increase in remuneration and company performance:- The Profit before Tax for the financial year ended March 31, 2016 increased by 9.54% whereas the increase in median remuneration was 12.48%.

- (v) Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company: Details have been mentioned in the above tabular form.
- (vi) Variations in the market capitalization of the Company :
- a) The market capitalization as on March 31, 2016 was ₹ 468.16 Crores and on March 31, 2015 was ₹ 426.77 Crores.
- b) Price Earnings ratio of the Company was 27.14 as at March 31, 2016 and was 26.26 as at March 31, 2015.

- c) Percent increase over/ decrease in the market quotations of the shares of the company as compared to the rate at which the company came out with the last public offer - The closing price of the Company's equity shares on BSE as of March 31, 2016 was ₹ 755.00, representing a 1410.00% of increase over the IPO price of ₹ 50/-.
- (vii) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2015-16 was 11.60%, whereas the increase in the managerial remuneration for the same financial year was 12.26%.
- (viii) The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.
- (ix) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but received remuneration in excess of the highest paid director during the year – NA; and
- (x) It is hereby affirmed that the remuneration paid is as per the as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

ANNEXURE - IV

SECRETARIAL AUDIT REPORT**FOR THE FINANCIAL YEAR ENDED 31-03-2016****FORM NO. MR -3***(Pursuant to Section 204 (1) of the Companies Act, 2013 and the Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)***To**

The Members,

Pokarna Limited

Hyderabad.

1. I have conducted Secretarial Audit pursuant to Section 204 of the Companies Act 2013, on the compliance of applicable Statutory Provisions and the adherence to good corporate practices by **Pokarna Limited** (hereinafter called as "**the Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.
2. Based on our verification of the books, papers, minutes books, forms, returns filed and other records maintained by the Company and also the information and according to the examinations carried out by us and explanations furnished and representations made to us by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in our opinion, the Company has during the audit period covering the Financial Year ended on March 31, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.
3. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2016 ("Audit Period") according to the provisions of:
 - i. The Companies Act, 2013 (the Act) and the rules made there-under;
 - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there-under;
 - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there-under;
 - iv. The Foreign Exchange Management Act, 1999 and the rules and regulations made there-under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; Not applicable during the audit period;
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; Not applicable during the audit period;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Not applicable during the audit period;
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993; regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not applicable during the audit period;
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; Not applicable during the audit period; and
 - i. The Securities and Exchange Board of India (Listing Obligations Disclosure Requirements) Regulations, 2015.

- vi. The Company is into business of mining of granite, processing and sale of granite slabs and manufacture and sale of readymade garments / apparels. Accordingly, the following Major Industry specific Acts and Rules are applicable to the Company, in the view of the Management:
- a. The Mines Act, 1952 and Rules made there under
 - b. The Mines & Minerals (Development & Regulation) Act, 1957
 - c. The Granite Conservation and Development Rules, 1999
 - d. The Andhra Pradesh Minor Mineral Concession Rules, 1966 and
 - e. The Explosive Act 1884 and Explosive Rules 2008
- vii. I, have also examined compliance with the applicable clauses of the following:
- a. The Listing Agreement entered into by the Company with stock exchange. (BSE)
 - b. Secretarial Standards issued by The Institute of Company Secretaries of India, in respect of Board & General meetings
- During the period under review, the Company has complied with the provisions of the applicable Acts, Rules, Regulations, and Guidelines etc., mentioned above.
4. I have relied on representations made by the Company and its officers for the systems and mechanism formed by the Company to ensure the compliances under other applicable Acts, Laws and Regulations to the Company, which have been listed in Annexure-A to this report.
5. I, further report that:
- a. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-executive Directors and independent directors.
 - b. Adequate Notice is given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance. There is adequate system for seeking and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting. Majority decision is carried through and there were no instances of dissenting members in the Board of Directors.
6. I further report that there exist adequate systems and processes in the Company that commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
7. I, further report that during the audit period
- There are no major events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

Note: This report is to be read with my letter of even date which is given as Annexure B to this report and forms an integral part of this report.

Place: Hyderabad
Date: May 30, 2016

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

ANNEXURE - A

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

Place: Hyderabad
Date: May 30, 2016

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

ANNEXURE B

To,
The Members
POKARNA LIMITED
Hyderabad

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Hyderabad
Date: May 30, 2016

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

CONSERVATION OF ENERGY AND TECHNOLOGY CONSUMPTION FOREIGN EXCHANGE EARNINGS AND OUTGO

A. Conservation of Energy:

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

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

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

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

Capital investment on energy conservation equipments:

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

B. Technology absorption:

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

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

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

FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year under review, the total standalone foreign exchange earnings was ₹ 14,012.87 Lacs and expenditure was ₹ 542.65 Lacs.

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.

Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") the Company has executed fresh Listing Agreements with the Stock Exchange.

The Company is in compliance with the requirements stipulated under Clause 49 of the Listing Agreements and regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI Listing Regulations, as applicable, with regard to corporate governance.

II. Board of Directors

- As on March 31, 2016, the Company has nine Directors. Of the nine Directors, 5 (i.e. 55.55%) are Independent Directors and 1 (i.e. 11.11%) is a Non-Executive Director. The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Act.
- None of the Directors on the Board hold directorships in more than ten public companies. Further none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he is a Director. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2016 have been made by the Directors.
- Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act. The maximum tenure of independent directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act.
- The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships / Memberships held by them in other public companies as on March 31, 2016 are given herein below.

Name of the Director	DIN	Indian Public Companies#	Relationship with Other Director	Board Committees*		No. of Board meetings attended	Attendance at last AGM
				Membership	Chairmanship		
Independent Directors							
Mr. Meka Yugandhar	00012265	5	None	3	1	6	Present
Mr. Thati Venkataswamy Chowdary	00010435	4	None	2	1	6	Present
Mr. Vinayak Rao Juvvadi	00229415	2	None	1	–	5	Present

Name of the Director	DIN	Indian Public Companies#	Relationship with Other Director	Board Committees*		No. of Board meetings attended	Attendance at last AGM
				Membership	Chairmanship		
Mr. Mahender Chand	00008449	2	None	1	--	5	Present
Mr. Dhanji Lakhamsi Sawla	00007918	2	None	--	--	3	Present
Non Executive Director							
Mr. Prakash Chand Jain Promoter	00084490	2	Brother of Mr. Gautam Chand Jain	--	--	4	Present
Executive Directors							
Mr. Gautam Chand Jain Chairman & Managing Director cum Promoter	00004775	2	Brother of Mr. Prakash Chand Jain Father of Mr. Rahul Jain / Father in Law of Mrs. Apurva Jain	--	--	5	Present
Mr. Rahul Jain Managing Director cum Promoter	00576447	2	Son of Mr. Gautam Chand Jain / Spouse of Mrs. Apurva Jain	1	--	4	Present
Mrs. Apurva Jain Executive Director	06933924	2	Spouse of Mr. Rahul Jain and Daughter in Law of Mr. Gautam Chand Jain	--	--	5	Present

#Directorships Including Pokarna Limited.

*For the purpose of Committee Memberships/Chairmanships only Audit Committees and Stake holder relationship Committees of Pokarna Limited, other Public Limited Companies either listed or unlisted is considered.

- e) Six (6) meetings of the Board of directors (including the separate meeting of Independent Directors) were held during the year. The dates on which said meetings were held:
May 25, 2015, July 22, 2015, September 16, 2015, October 29, 2015, February 8, 2016 & March 29, 2016. The necessary quorum was present for all the meetings.
- f) During the year 2015-16, information as mentioned in Schedule II Part A of the SEBI Listing Regulations, has been placed before the Board for its consideration.
- g) The terms and conditions of appointment of the Independent Directors are disclosed on the website of the Company.
- h) During the year, one meeting of the Independent Directors was held on March 29, 2016. The Independent Directors, inter-alia, reviewed the performance of non-independent directors, Chairman of the Company and the Board as a whole.
- i) The Board periodically reviews the compliance reports of all laws applicable to the Company, prepared by the Company.

- j) The details of the familiarisation programme of the Independent Directors are available on the website of the Company (<http://www.pokarna.com/familiarization-programme-of-independent-directors/>).
- k) Details of equity shares of the Company held by the Directors as on March 31, 2016 are given below:

S. No.	Director	Number of shares held
1.	Mr. Gautam Chand Jain, Chairman & Managing Director	500000
2.	Mr. Rahul Jain Managing Director	100000
3.	Mr. Prakash Chand Jain Non-executive Director	500000

- l) The Company has not issued any convertible instruments.

III. Committees of the Board

A. Audit Committee

- The Audit Committee ("AUC") of the Company is constituted in line with the provisions of Regulation 18 of SEBI Listing Regulations, read with Section 177 of the Act.
- The AUC of the Company is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process and inter alia, performs the following functions:
 - overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible;
 - reviewing and examining with management the quarterly and annual financial results before submission to the Board;
 - recommending the appointment, remuneration and terms of appointment of Statutory Auditors / Internal Auditor of the Company;
 - reviewing the adequacy of internal audit function and discussing with Internal Auditor any significant finding and reviewing the progress of corrective actions on such issues;
 - reviewing, approving or subsequently modifying any Related Party Transactions in accordance with the Related Party Transaction Policy of the Company;
 - scrutiny of inter-corporate loans and investments made by the Company;
 - evaluating internal financial controls and risk management systems;
 - review the functioning of the Whistleblower Mechanism; and
 - reviewing the information required as per SEBI Listing Regulations.
- The AUC invites such of the executives, as it considers appropriate, representatives of the statutory auditors and the internal auditors to be present at its meetings.
- Six (6) AUC meetings were held on May 25, 2015, July 22, 2015, September 16, 2015, October 29, 2015, February 8, 2016 & March 29, 2016. The necessary quorum was present for all the meetings.
- The AUC comprises of four (4) Independent Directors. The composition of the AUC and the attendance details of the members are given below:

S. No.	Name	Position held in the Committee	Attendance
1.	Mr. Meka Yugandhar	Chairman	6
2.	Mr. Thati Venkataswamy Chowdary	Member	6
3.	Mr. Vinayak Rao Juvvadi	Member	5
4.	Mr. Mahender Chand	Member	5

B. Nomination and Remuneration Committee

- The Nomination and Remuneration Committee ("NRC") of the Company is constituted in line with the provisions of Regulation 19 of SEBI Listing Regulations, read with Section 178 of the Act.

2. The broad terms of reference of the NRCare as under:
 - devise a policy on the diversity of Board of Directors;
 - recommend to the Board the appointment or reappointment of directors;
 - recommend to the Board appointment of Key Managerial Personnel;
 - carry out evaluation of every director's performance and support the Board and Independent Directors in evaluation of the performance of the Board, its committees and individual directors;
 - recommend to the Board the Remuneration Policy for directors, Key Managerial Personnel;
 - performing such other duties and responsibilities as may be consistent with the provisions of the committee charter; and
 - reviewing the information required as per SEBI Listing Regulations.
3. Two (2) NRC meetings were held on May 25, 2015 and February 8, 2016. The necessary quorum was present for all the meetings
4. The NRC comprises of four (4) Directors. The composition of the Committee and the attendance details of the members are given below:

S. No.	Name	Position held in the Committee	Attendance
1.	Mr. Thati Venkataswamy Chowdary, Independent Director	Chairman	2
2.	Mr. Meka Yugandhar, Independent Director	Member	2
3.	Mr. Mahender Chand, Independent Director	Member	2
4.	Mr. Prakash Chand Jain, Non – Executive Director	Member	2

5. The Company does not have any Employee Stock Option Scheme.
6. Performance Evaluation Criteria for Independent Directors: The criteria for the evaluation of Independent Directors includes skills, experience and level of preparedness of the directors, attendance and extent of contribution to Board debates and discussion, and how the director leverages his expertise and networks to meaningfully contribute to the Company.
7. Remuneration Policy: The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) and commission (variable component) to its Chairman & Managing Director and the Executive Directors. The NRC decides on the commission payable to the Chairman & Managing Director and the Executive Directors out of the profits for the financial year and within the ceilings prescribed under the Act based on the performance of the Company as well as that of the Chairman & Managing Director and each Executive Director. During the year 2015-16 the Company paid sitting fees of ₹ 20,000 per meeting to its Non-Executive Directors for attending meetings of the Board. The Non-Executive Directors do not claim any fees for the Committee meetings. The Members have at the Annual General Meeting ("AGM") of the Company on September 15, 2014 approved of payment of commission to the Non-Executive Directors within the ceiling of 1% of the net profits of the Company as computed under the applicable provisions of the Act. The said commission is decided each year by the Board of Directors and distributed amongst the Non-Executive Directors based on their attendance and contribution at the Board and certain Committee meetings, as well as the time spent on operational matters other than at meetings.

8. Details of commission & sitting fees paid / to be paid to the Directors is given below:

(₹ in Lacs)

Name of the Director	Sitting fees paid	Commission payable
Independent Directors		
Mr. Meka Yugandhar	1.20	5.00
Mr. Thati Venkataswamy Chowdary	1.20	5.00
Mr. Vinayak Rao Juvvadi	1.00	5.00
Mr. Mahender Chand	1.00	5.00
Mr. Dhanji Lakhamsi Sawla	0.60	5.00
Non Executive Director		
Mr. Prakash Chand Jain ^	0.80	5.00
Executive Director		
Mr. Gautam Chand Jain	Nil	28.00
Mr. Rahul Jain	Nil	28.00
Mrs. Apurva Jain	Nil	Nil

The Commission for the financial year ended March 31, 2016 will be paid to Directors, subject to deduction of tax, after adoption of accounts by the shareholders at the Annual General Meeting to be held on September 16, 2016.

^ for interest and rent payments made to Mr. Prakash Chand Jain please refer note no 2.27 of Standalone financial statements of the Company.

9. The details of remuneration paid to the Executive Directors are as follows:

(₹ in Lacs)

Name of the Director	All elements of remuneration package i.e. salary, perquisites and benefits, etc.,	Performance linked incentives (commission) alongwith performance criteria #
Mr. Gautam Chand Jain Chairman & Managing Director	125.00	28.00
Mr. Rahul Jain * Executive Director	130.65	28.00
Mrs. Apurva Jain Executive Director	12.00	Nil

towards performance linked incentive called as commission for achievement of targets for the year 2015 - 16.

* has been appointed as Managing Director w.e.f. May 02, 2016

10. The terms and conditions with regard to appointments of Chairman & Managing Director and Executive Directors are contained in the respective resolutions passed by the Board or Members in their respective meetings. There is no separate provision for payment of severance fee under the resolutions governing the appointment of Chairman & Managing Director/ Executive Directors.

C. Stakeholder Relationship Committee

- The Stakeholders' Relationship Committee ("SRC") is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations read with section 178 of the Act.
- The broad terms of reference of the SRC are as under:
 - consider and resolve the grievances of security holders of the Company including redressal of investor complaints such as transfer or credit of securities, non-receipt of dividend / notice / annual reports, etc. and all other securities-holders related matters;
 - consider and approve issue of share certificates (including issue of renewed or duplicate share certificates), transfer and transmission of securities, etc; and
 - reviewing the information required as per SEBI Listing Regulations
- One (1) SRC meetings were held on February 08, 2016. The necessary quorum was present for all the meetings.

4. The SRC comprises of three (3) Directors. The composition of the Committee and the attendance details of the members are given below:

S. No.	Name	Position held in the Committee	Attendance
1.	Mr. Thati Venkataswamy Chowdary, Independent Director	Chairman	1
2.	Mr. Meka Yugandhar, Independent Director	Member	1
3.	Mr. Rahul Jain, Managing Director	Member	Nil

- D. Mr. Vinay Paruchuru, Company Secretary, was the Secretary for all the Board Committees during the FY 2015-16. He is also the Compliance Officer of the Company and responsible for redressing investor grievances.

- E. Details of investor complaints received and redressed during the year 2015- 16 are as follows:

Opening	Received during the year	Resolved to the satisfaction of the shareholders during the year	Closing
Nil	1	1	Nil

F. OTHER COMMITTEES

(i) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

1. Corporate Social Responsibility Committee (“CSRC”) of the Company is constituted in line with the provisions of Section 135 of the Act. The broad terms of reference Corporate Social Responsibility Committee is as follows:

- formulate and recommend to the board, a CSR policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- recommend the amount of expenditure to be incurred on the activities referred to above; and
- monitor the CSR Policy of the Company from time to time.

2. One (1) CSRC meetings were held on 08th February, 2016. The necessary quorum was present for all the meetings.

3. The CSRC comprises of three (3) Directors. The composition of the CSRC and the attendance details of the members are given below:

S. No.	Name	Position held in the Committee	Attendance
1.	Mr. Meka Yugandhar, Independent Director	Chairman	1
2.	Mr. Vinayak Rao Juvvadi, Independent Director	Member	1
3.	Mr. Gautam Chand Jain, Chairman & Managing Director	Member	1

4. A report containing the details on activities taken up during the year 2015-16 and composition of CSRC, is enclosed as Annexure II to Directors Report.

(ii) LOANS COMMITTEE

1. The Loans Committee (“LOC”) is constituted in line with the provisions of with section 179 of the Companies Act, 2013.

2. The broad terms of reference of the LOC are as under:

- approving borrowings by the Company within the limit specified;

3. The LOC comprises of three (3) Directors. The composition of the LC and the attendance details of the members are given below:

S. No.	Name	Position held in the Committee
1.	Mr. Meka Yugandhar, Independent Director	Chairman
2.	Mr. Gautam Chand Jain, Chairman & Managing Director	Member
3.	Mr. Prakash Chand Jain, Non-executive Director	Member

IV GENERAL BODY MEETINGS

- 1) Location and time, where last three AGMs were held:

Financial Year Ended	Date	Time	Venue	Details of special resolutions passed
March 31, 2013	September 17, 2013	10.30 a.m.	Hotel Vivanta by Taj, 1-10-147 & 148, Opp: Hyderabad Public School, Begumpet, Hyderabad, Telangana, India - 500016	None
March 31, 2014	September 15, 2014	10.30 a.m.	Hotel Vivanta by Taj, 1-10-147 & 148, Opp: Hyderabad Public School, Begumpet, Hyderabad, Telangana, India - 500016	Fixation of borrowing power of the Company pursuant to Section 180 (1)(c) of the Companies Act, 2013.
March 31, 2015	August 10, 2015	10.30 a.m.	AVASA Hotel, Plot No: 15,24,25 & 26 Sector - 1, Survey No: 64, Huda Techno Enclave, Madhapur, Hyderabad-500081.	Alteration of Articles of Association of the Company pursuant to Section 14 of the Companies Act, 2013.

- 2) There were no special resolutions passed during the year 2015-16 through postal ballot. Also there are no special resolutions proposed to be passed through conduct of postal ballot as on the date of this report.

V Means of communication

The quarterly, half-yearly and annual results of the Company are published in leading newspapers in viz., Economic Times, Business Standard, The Hindu Business Line and Manatelangana. The results are also displayed on the Company's website "www.pokarna.com". Press Releases made by the Company from time to time are also displayed on the Company's website. Investor Presentations after the declaration of the quarterly, half-yearly and annual results are also displayed on the Company's website. A Management Discussion and Analysis Report is a part of the Company's Annual Report.

VI GENERAL SHAREHOLDER INFORMATION

- a) Annual General Meeting:

Date and Time	Venue
Friday, September 16, 2016, 10.30 a.m.	Hotel Vivanta by Taj, 1-10-147 & 148, Opp: Hyderabad Public School, Begumpet, Hyderabad, Telangana, India - 500016

- b) Financial Calendar:

Financial year: April 1, 2015 to March 31, 2016

- c) Dividends for FY 2015-16:

The final dividend, if declared, shall be paid / credited on or after September 16, 2016.

- d) Listing:

The Company's shares are listed and traded on the following Stock Exchanges:

Name & Address of the Stock Exchange	Segment	Stock/Scrip Code	ISIN number for NSDL/ CDSL
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001	Equity	532486	INE637C01017

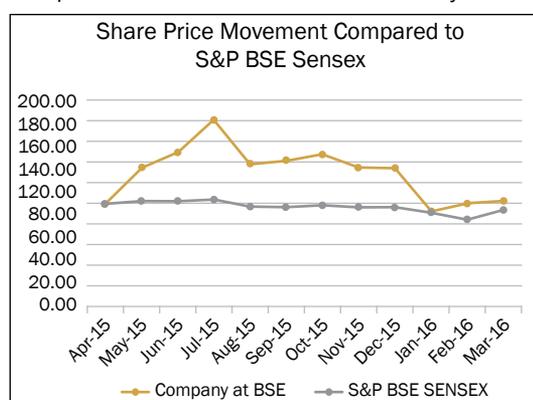
The applicable listing fees has been paid to the Stock Exchange before the due date.

e. Market Price Data:

The monthly high and low prices of Pokarna Limited at BSE Limited for the year ended March 31, 2016 are as follows

Month	High ₹	Low ₹
Apr-15	940.00	680.00
May-15	1005.00	706.00
Jun-15	1212.00	860.25
Jul-15	1384.00	959.25
Aug-15	1425.00	815.00
Sep-15	1130.00	880.00
Oct-15	1250.00	1040.00
Nov-15	1191.00	952.00
Dec-15	1040.00	870.25
Jan-16	1047.00	660.00
Feb-16	898.75	660.00
Mar-16	840.00	716.00

f. Pokarna Limited's share price at the BSE versus the Sensex for year 2015 -16 is as follows:



For the purpose of Chart:

- i) The "Closing" values of share price of the Company and S&P BSE SENSEX of the particular month are considered.
 - ii) Values are indexed to 100.
- g. The Company does not have any Equity Shares in suspense account.
- h. Registrar and Transfer Agents:
 Karvy Computershare Private Limited
 Karvy Selenium Tower B,
 Plot 31-32, Gachibowli, Financial District,
 Nanakramguda, Hyderabad - 500 032.
 Tel : +91 40 6716 1616
 Fax: +91 40 23420814
 Email : einward.ris@karvy.com
- i. Share Transfer System:
 98.31% of the equity shares of the Company are in electronic form. Transfer of these shares are done through the depositories with no involvement of the Company. As regards transfer of shares held in physical form the transfer documents can be lodged with Karvy at the above mentioned addresses.
 Transfer of shares in physical form is normally processed within ten to fifteen days from the date of receipt, if the documents are complete in all respects.

j. Distribution of Shareholding:

Distribution of Shareholding by size class as on March 31, 2016:

S. No.	Number of shares	Number of shareholders	Shareholders%	Number of shares held	Shareholding%
1	1 - 5000	6015	98.62	1104747	17.82
2	5001 - 10000	34	0.56	249927	4.03
3	10001 - 20000	14	0.23	208709	3.37
4	20001 - 30000	18	0.30	440057	7.10
5	30001 - 40000	1	0.02	39580	0.64
6	40001 - 50000	1	0.02	50000	0.81
7	50001 - 100000	9	0.15	817315	13.18
8	100001 and above	7	0.11	3290465	53.07
TOTAL:		6099	100.00	6200800	100.00

Distribution of shareholding by ownership as on March 31, 2016:

Category	Shares held (No.)	% of holding
Promoter's Holding		
Promoters	3513777	56.67
Institutional Investors		
Mutual Funds	--	--
Banks	--	--
Financial Institutions	--	--
Insurance Companies	--	--
Foreign Portfolio Investors	73375	1.18
Others		
Private Corporate Bodies	339276	5.47
Indian Public	2176808	35.11
NRI/OCB's	77298	1.25
Others	20266	0.32
Total	6200800	100

k. Shares held in Physical and Dematerialised Form:

Equity shares of the Company representing 98.31% of the Company's equity share capital are dematerialised as on March 31, 2016. Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE637C01017.

l. Outstanding GDRs / ADRs / Warrants / Convertible Instruments and their Impact on Equity:

There are no GDRs / ADRs / Warrants / Convertible Instruments outstanding as at the year end.

m. Commodity Price Risk or Foreign Exchange Risk and Hedging Activities:

As such, the Company is not exposed to any commodity price risk. The detailed discussion of the foreign exchange risk and Company's hedging activities is given in the Management Discussion & Analysis Report and the notes to the Financial Statements.

n. Plant locations

Granite:

Survey No.123,
Tooprantpet Village, Choutuppal Mandal,
Nalgonda District,
Telangana State - India

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

Granite Quarries:

S. No.	Sy. No.	Village	Mandal	District	State	Color
1.	284	Rapaka	Ponduru	Srikakulam	Andhra Pradesh	Pokarna Green
2.	270	Singupuram	Srikakulam	Srikakulam	Andhra Pradesh	Flash Blue
3.	53	Tekkali	Tekkali	Srikakulam	Andhra Pradesh	Vizag Blue
4.	121	Buduruvada	Parvathipuram	Vizianagaram	Andhra Pradesh	Cream Kashmir
5.	66	Polavaram	Sankavaram	East Godavari	Andhra Pradesh	Coral Gold
6.	847/1 & 203, 204/1, 2,207/1 to 7,208/4, 208/5,209/3 to 7,371/P,372/1,2,3, 103	Konidena &Ballikurava	Ballikurava	Prakasam	Andhra Pradesh	Steel Grey
7.	980/3 & 5,980/2, 12/1P, 14/1A, 15/1 & 16/1(P), 14/1C, 15/3, 16/3, 16/4P, 988/1, 16/4P, 16/5(P), 26/4, 26/A, 26/5A, 26/5B, 26/6B, 26/A (P), 26/7B, 27/1-6, 26/5a, 26/5b	R.L Puram / Chimakurthy	Chimakurthy	Prakasam	Andhra Pradesh	Black Galaxy
8.	6	Eswarapuram	Puttur	Chittoor	Andhra Pradesh	Silver Waves
9.	926	Kotala	Thambbalapally	Chittoor	Andhra Pradesh	Acacia
10.	165	Diguvapalle	Peddemandayam	Chittoor	Andhra Pradesh	Hail Storm
11.	552	Thogarai	Sultanabad	Karimnagar	Telangana	Coffee Brown
12.	97 & 111	Odyaram	Gangadhra	Karimnagar	Telangana	TAN Brown
13.	116/1	Kamanpur	Karimnagar	Karimnagar	Telangana	TAN Brown Classic
14.	728	Challur	Veenavanka	Karimnagar	Telangana	Dragon Red
15.	36	Malyala	Bommalararamam	Nalgonda	Telangana	Arizona Brown
16.	568/1,575/2(P), 621/2(P)	Subramanyapuram	Sivakasi	Virudnagar	Tamilnadu	Golden Dream

Apparel:

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

Quartz Surfaces #

Plot. No: 45, APSEZ,
Atchutapuram, Rambilli Mandal,
Visakhapatnam District,
Andhra Pradesh.

owned and operated by the wholly owned subsidiary Pokarna Engineered Stone Limited

o. Address for correspondence:

Pokarna Limited
 105, 1st Floor, Surya Towers, S.P. Road,
 Secunderabad – 500003
 Telangana, India
 Ph: 91 40 27897722
 Email: companysecretary@pokarna.com
 Website: www.pokarna.com
 CIN:L14102TG1991PLC013299

Investor correspondence should be addressed to M/s. Karvy Computershare Private Limited, whose address is provided in this section of the Annual Report. To allow us to serve members with greater speed and efficiency, the Company strongly recommends email-based correspondence on all issues, which do not require signature verification for being processed.

VII. Other Disclosures:

- a) Materially significant Related Party Transaction that may potentially conflict with the Company's interest: During 2015-16, there were no materially significant related party transactions i.e. transactions of the Company of material nature with bodies including its subsidiaries, promoters, directors, management, and relatives, which may have potential conflict with the interests of Company at large. Attention of members is drawn to disclosures of transactions with related parties, as set out in Notes to Accounts.
- b) Details of Non-compliance: There has not been any noncompliance of mandatory requirements, expected of the Company. No penalties or strictures were imposed on the Company by the Stock Exchange, SEBI, or any statutory authority for matters related to capital markets during the last 3 years.
- c) Vigil Mechanism/ Whistleblower policy: With a view to establish a mechanism for protecting employees reporting unethical behaviour, frauds, or violation of the Company's Code of Conduct, the Board of Directors have adopted a Whistleblower Policy. No person has been denied access to the Audit Committee.
- d) Web link for Policies: The Whistleblower Policy, the Policy for determining Material Subsidiaries and the Policy on dealing with Related Party Transactions are available at <http://www.pokarna.com/policies/>
- e) Details of Compliance with Corporate Governance Requirements:

Item	Regulation	Compliance status (Yes / No / NA)
Board composition	17(1)	Yes
Meeting of Board of Directors	17(2)	Yes
Review of Compliance Reports	17(3)	Yes
Plans for orderly succession for appointments	17(4)	Yes
Code of Conduct	17(5)	Yes
Fees/compensation	17(6)	Yes
Minimum Information	17(7)	Yes
Compliance Certificate	17(8)	Yes
Risk Assessment & Management	17(9)	Yes
Performance Evaluation of Independent Directors	17(10)	Yes
Composition of Audit Committee	18(1)	Yes
Meeting of Audit Committee	18(2)	Yes
Composition of Nomination & Remuneration Committee	19(1) & (2)	Yes
Composition of Stakeholders' Relationship Committee	20(1) & (2)	Yes
Composition and role of Risk Management Committee	21(1),(2),(3),(4)	NA
Vigil Mechanism	22	Yes
Policy for related party transaction	23(1),(5),(6),(7) & (8)	Yes
Prior or Omnibus approval of Audit Committee for all related party transactions	23(2), (3)	Yes
Approval for material related party transactions	23(4)	NA

Item	Regulation	Compliance status (Yes / No / NA)
Composition of Board of Directors of unlisted material Subsidiary	24(1)	Yes
Other Corporate Governance requirements with respect to subsidiary of listed entity	24(2),(3),(4),(5) & (6)	Yes
Maximum Directorship & Tenure	25(1) & (2)	Yes
Meeting of Independent Directors	25(3) & (4)	Yes
Familiarization of Independent Directors	25(7)	Yes
Memberships in Committees	26(1)	Yes
Affirmation with compliance to code of conduct from members of Board of Directors and senior management personnel	26(3)	Yes
Disclosure of Shareholding by Non-Executive Directors	26(4)	Yes
Policy with respect to Obligations of Directors and senior management personnel	26(2) & 26(5)	Yes
Terms and conditions of appointment of Independent Directors	46(2)(b)	Yes
Composition of various committees of Board of Directors	46(2)(c)	Yes
Code of conduct of Board of Directors and senior management Personnel	46(2)(d)	Yes
Details of establishment of vigil mechanism/ Whistleblower policy	46(2)(e)	Yes
Criteria of making payments to Non-Executive Directors	46(2)(f)	Yes
Policy on dealing with related party transactions	46(2)(g)	Yes
Policy for determining 'material' subsidiaries	46(2)(h)	Yes
Details of familiarisation programmes imparted to Independent Directors	46(2)(i)	Yes

Status of Compliance of Part E of Schedule II of Listing Regulations:

Item	Regulation	Compliance Status
The Board	A	The Company has executive Chairman, hence compliance of this Clause does not arise.
Shareholder Rights	B	Company publishes the quarterly, half yearly, annual financial results in widely circulated newspapers such as Economic Times, Hindu Business Line, Business Standard and Manatelangana, hence it is understood that the compliance of this Clause is not required.
Modified opinion(s) in audit report	C	Complied - the audit report for F.Y. 2015-16 is unmodified
Separate posts of chairperson and chief executive officer	D	Not complied
Reporting of internal auditor	E	Complied

- f) Auditor's Certificate on Corporate Governance: As stipulated in Para E of Schedule V of the Listing Regulations, the Auditor's Certificate regarding compliance of conditions of corporate governance is attached hereto.
- g) Declaration by the Chairman & Managing Director:
I, Gautam Chand Jain, Chairman & Managing Director of Pokarna Limited, hereby confirm pursuant to SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 that:
- (i) The Board of Directors of Pokarna Limited has laid down a Code of Conduct for all the Board members and senior management of the Company. The said Code of Conduct has also been posted on the Investors page of the Company website www.pokarna.com.
 - (ii) All the Board Members and senior management personnel have affirmed their compliance with the said Code of Conduct for the year ended March 31, 2016

For Pokarna Limited.

Sd/-

Gautam Chand Jain

Chairman & Managing Director

DIN: 00004775

Date: May 30, 2016

Place: Secunderabad

COMPLIANCE CERTIFICATE

Pursuant to Regulation 17(8)

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

We the undersigned hereby certify that:

- A. We have reviewed financial statements and the cash flow statement for F.Y. 2015-16 and that to the best of our knowledge and belief:
 - (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the Company affairs and are in compliance with existing accounting standards, applicable laws, and regulations.
- B. To the best of our knowledge and belief, there are no transactions entered into by the Company during the year which is fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls over financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation internal controls of which we are aware and also the steps were taken by the Company, to rectify such deficiencies.
- D. We have indicated to the auditors and the Audit committee that there are NO:
 - 1) significant changes in internal control over financial reporting during the year;
 - 2) significant changes in accounting policies during the year and
 - 3) instances of significant fraud, in which the involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting, of which we became aware of.

For Pokarna Limited

Sd/-

Gautam Chand Jain

Chairman & Managing Director

DIN: 00004775

M. Viswanatha Reddy

Chief Financial officer

Date: May 30, 2016

Place: Secunderabad

AUDITORS' CERTIFICATE CORPORATE GOVERNANCE

To

The Members of Pokarna Limited.

We have examined the compliance of conditions of corporate governance by Pokarna Limited ("the Company"), for the year ended on March 31, 2016 as stipulated under Clause 49 of the Listing Agreement entered by the Company with the stock exchanges for the period April 01, 2015 to November 30, 2015 and under Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Regulations), for the period December 01, 2015 to March 31, 2016.

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 referred Listing Agreement or Regulations.

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)

Sd/-
Shantilal Daga
Partner
Membership No. 11617

Date: May 30, 2016
Place: Secunderabad

FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

To
The Members
Pokarna Limited

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of Pokarna Limited (the Company), which comprise the Balance Sheet as at March 31, 2016, the statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the act and rules made there under.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016 and its Profit and its Cash Flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditors Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the Order) and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
10. As required by Section 143 (3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on March 31, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B.
 - g) With respect to the other matters to be included in the Auditors Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us
 - i. The Company has disclosed the impact of pending litigations as on March 31, 2016 on its financial position in its financial statements (refer Note No.2.24);
 - ii. The Company has made provision, as required under the applicable law or Accounting Standards, for material foreseeable losses, if any, on long term contracts. The Company neither entered into any derivative contract during the year nor have any outstanding derivative contract at the end of the year;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2016.

For S Daga Co.
Chartered Accountants
(ICAI FRNo. 000669S)

(Shantilal Daga)
M. No. 11617
Partner

Place: Hyderabad
Date: May 30, 2016

ANNEXURE - A TO THE AUDITORS' REPORT

Referred to in paragraph 9 of the Independent Auditors Report of even date to the members of Pokarna Limited on the standalone financial statements as of and for the year ended March 31, 2016

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed.
- (c) The title deeds of immovable properties, as disclosed in Note no. 2.8 on fixed assets to the financial statements, are held in the name of the company.
2. (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- (b) On the basis of our examination of the inventory records, the company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records have been properly dealt with by the company.
3. The Company has granted unsecured loan to its wholly owned subsidiary - Pokarna Engineered Stone Limited, covered in the register maintained under Section 189 of the Companies Act, 2013. The terms and conditions of the grant of loan were not prejudicial to company's interest. The repayment of principal and payment of interest has been received regularly as stipulated. There is no balance outstanding at the close of the year.
4. The company has not granted any loan to directors or made investments, provided any guarantees and securities to the parties as required under the provisions of Sections 185 and 186 of the Companies Act, 2013 and accordingly the provisions of Clause 3(iv) of the said Order is not applicable.
5. The Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of Companies Act, 2013 and the rules framed there under.
6. We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government of India, the maintenance of cost records specified under sub-section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the Records with a view to determine whether they are accurate or complete.
7. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, value added tax, service tax, custom duty, excise duty, cess and other statutory dues as applicable to it, with appropriate authorities. There are no undisputed statutory dues payable except income tax of ₹ 3.95 Crores (previous year -Nil) for a period of more than six months from the date they became payable as at March 31, 2016.
- (b) According to the information and explanations given to us and the records of the company examined by us, the particulars dues of income tax, sales tax, service tax, value added tax, duty of customs and duty of excise as at March 31, 2016 which have not been deposited on account of a dispute are as follows:

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	81.64	2007-15	Customs, Excise & Service Tax appellate tribunal and Superintendent of Service Tax	5.57
2	Central Excise Act, 1944	Excise Duty	149.86	2001-15	Customs, Excise & Service Tax appellate tribunal and Addl. Commissioner of Central Excise	Nil

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)
3	Customs Act, 1962	Customs Duty	75.91	2003-11	Customs, Excise & Service Tax appellate tribunal	Nil
4	Income Tax Act, 1961	Income Tax	35.53	2001-02 to 2003-04,	Commissioner of Income Tax & High Court	Nil
5	A P Vat Act, 2005 and Central Sales Tax Act, 1956	Vat and CST	54.19	2010-11 and 2011-12	Dy. Commissioner of Commercial Taxes	2.69
Total			397.13			8.26

8. According to the information and explanations given to us and records of the company examined by us, the company has not defaulted in repayment of dues (barring delay on few occasions of less than one month during the year) to any financial institution or bank or debenture holders as at the Balance Sheet date.
9. On the basis of our review of utilization of funds pertaining to term loans on overall basis and related information and explanations as made available to us, the term loans taken by the company has been utilized for the purpose of which they were obtained. Further, the company has not raised moneys by way of initial public offers or further public offers during the year.
10. 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 material fraud by the company or on the company its officers or employees, noticed or reported during the year, nor have we been informed by any such case by the management.
11. The company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
12. As the company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the company.
13. The company has entered into transactions with related parties in compliance with the provisions of Section 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standards (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
15. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
16. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For S. Daga Co.
Chartered Accountants
(ICAI FRNo. 000669S)

(Shantilal Daga)
M. No. 11617
Partner

Place: Hyderabad
Date: May 30, 2016

ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Pokarna Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S Daga Co.
Chartered Accountants
(ICAI FRNo. 000669S)

(Shantilal Daga)
M. No. 11617
Partner

Place: Hyderabad
Date: May 30, 2016

BALANCE SHEET

		₹ In Lacs	
	Notes	As at March 31, 2016	As at March 31, 2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2.1	620.08	620.08
Reserves & Surplus	2.2	10973.37	9994.87
		11593.45	10614.95
Non-Current Liabilities			
Long-term Borrowings	2.3	3746.44	5450.94
Deferred Tax Liabilities	2.4	146.02	252.12
Other Long-term Liabilities	2.5	-	792.17
Long-term Provisions	2.7	155.23	95.07
		4047.69	6590.30
Current Liabilities			
Short-term Borrowings	2.3	3243.27	3028.63
Trade Payables	2.6	1409.99	1742.70
Other Current Liabilities	2.5	3728.14	2923.11
Short-term Provisions	2.7	1710.03	1304.41
		10091.43	8998.85
Total		25732.57	26204.10
ASSETS			
Non-current Assets			
Fixed Assets			
Tangible Assets	2.8	8686.61	8334.17
Capital Work-In-Progress		1334.27	437.37
Non-current Investments	2.9	6115.88	6115.88
Long-term Loans and Advances	2.10	914.46	884.14
Other Non-current Assets	2.11	249.17	61.30
		17300.39	15832.86
Current Assets			
Inventories	2.12	3987.53	3628.38
Trade Receivables	2.13	3229.63	3897.17
Cash and Bank Balances	2.14	696.91	425.18
Short-term Loans and Advances	2.10	488.92	2406.01
Other Current Assets	2.11	29.19	14.50
		8432.18	10371.24
Total		25732.57	26204.10
Significant Accounting Policies	1		
Notes on Financial Statements	2		

The accompanying notes are an integral part of financial statements

As per our report attached

For and on behalf of Board of Directors

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

Shantilal Daga
Partner
Membership No. 11617

Place : Hyderabad
Date : May 30, 2016

Gautam Chand Jain
Meka Yugandhar
Mahender Chand
Prakash Chand Jain
Rahul Jain
Dhanji Lakhamsi Sawla
M Viswanatha Reddy
Vinay Paruchuru

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

STATEMENT OF PROFIT AND LOSS

	Notes	For the year ended March 31, 2016	For the year ended March 31, 2015
₹ In Lacs			
INCOME			
Revenue from Operations (gross)	2.15	19499.30	19355.56
Less :Excise Duty		206.62	292.62
Revenue from Operations (net)		19292.68	19062.94
Other Income	2.16	423.27	530.42
Total		19715.95	19593.36
EXPENSES			
Cost of Raw Material and Components consumed	2.17	2439.60	3294.74
Purchase of Traded Goods	2.18	363.28	142.28
(Increase) / Decrease in Inventories of Finished Goods, Work-in-Progress and Traded Goods	2.19	(353.98)	(200.57)
Employee Benefits Expense	2.20	2919.03	2644.66
Other Expenses	2.21	9322.28	8833.45
Total		14690.21	14714.56
Earnings Before Interest, Tax, Depreciation		5025.74	4878.80
Depreciation	2.22	987.87	1124.19
Finance Costs	2.23	1264.55	1222.73
Profit Before Tax		2773.32	2531.88
Tax Expenses			
Current Tax		1096.42	1016.51
Deferred Tax		(106.09)	(110.12)
Prior year tax		58.18	-
Total Tax Expenses		1048.51	906.39
Profit After Tax		1724.81	1625.49
Earnings Per Share - Basic (in ₹)		27.82	26.21
Earnings Per Share - Diluted (in ₹)		27.82	26.21
(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 : Hyderabad
Date : May 30, 2016

Gautam Chand Jain
Meka Yugandhar
Mahender Chand
Prakash Chand Jain
Rahul Jain
Dhanji Lakhamsi Sawla
M Viswanatha Reddy
Vinay Paruchuru

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

CASH FLOW STATEMENT

₹ In Lacs

	For the year ended March 31, 2016	For the year ended March 31, 2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit Before Tax	2773.32	2531.88
Adjustments:		
Depreciation and amortization expense	987.87	1124.19
Loss/(profit) on sale of fixed assets	(380.41)	43.14
Unrealized foreign exchange (gain) / loss, net	4.85	(70.85)
Provision for Doubtful Debts	78.54	(10.47)
Interest expense	1264.55	1222.73
Interest income	(325.45)	(198.12)
Operating profit before working capital changes	4403.27	4642.50
Changes in working capital and other provisions:		
Trade receivables	593.11	(404.42)
Inventories	(359.15)	(332.77)
Loans and advances and other assets	1451.43	(1226.37)
Other Liabilities and provisions	58.73	(959.99)
Cash generated from operations	6147.39	1718.95
Income taxes paid, net	(1218.55)	(331.44)
Net cash flow generated by operating activities	4928.84	1387.51
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets and changes in capital work in progress	(2285.81)	(1553.30)
Proceeds from sale of fixed assets	429.00	36.83
Long term loans and advances given to subsidiaries	-	2038.51
Interest income	325.45	198.12
Net cash used in investing activities	(1531.36)	720.16
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank Borrowings	360.60	285.55
Other Borrowings	(2157.77)	(1093.94)
Interest expense	(1264.55)	(1222.73)
Dividend paid	(223.89)	(145.10)
Net cash generated in financing activities	(3285.61)	(2176.22)
Net Increase/ (Decrease) in Cash and Cash Equivalents	111.87	(68.55)
Equivalents		
Add: Cash and Cash equivalents at the beginning of the year	111.81	169.77
Effect of exchange gain on cash and cash equivalents	21.46	10.59
Cash and cash equivalents at the end of the year	245.14	111.81
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)

Gautam Chand Jain
Meka Yugandhar
Mahender Chand
Prakash Chand Jain
Rahul Jain
Dhanji Lakhamsi Sawla
M Viswanatha Reddy
Vinay Paruchuru

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

Shantilal Daga
Partner
Membership No. 11617

Place : Hyderabad
Date : May 30, 2016

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2016

1. Significant Accounting Policies

A Basis of Preparation of Financial Statements

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

B Use of Estimates

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

C Revenue Recognition

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

D Recognition of Expenditure

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

E Fixed Assets

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

F Intangible Assets

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

G Impairment of Assets

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

H Capital Work-in-Progress

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

I Depreciation

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

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

J Investments

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

K Inventories

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

L Employee Benefits

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

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

M Foreign Currency Transactions

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

N Leases

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

O Borrowing Cost

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

P Provisions, Contingent Liabilities and Contingent Assets

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

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

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

Q Accounting for Taxes on Income

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

2. NOTES TO FINANCIAL STATEMENTS:

2.1 Share Capital

	₹ In Lacs	
	March 31, 2016	March 31, 2015
Authorized:		
2,00,00,000 (2,00,00,000) Equity Shares of ₹ 10/- each	2000.00	2000.00
Issued, Subscribed and Paid-up:		
62,00,800 (62,00,800) Equity Shares of ₹ 10/- each fully paid-up	620.08	620.08
Total	620.08	620.08

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

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

2.1.2 Terms / rights attached to equity shares:

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

During the year ended March 31, 2016 the amount of per share dividend recognised as distribution to equity shareholders was ₹ 10.00 (previous year ₹ 3.00)

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

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

	March 31, 2016		March 31, 2015	
	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	625000	10.08	600000	9.68
Raaj Kumar Jain	510150	8.23	510150	8.23
Dilip Kumar Jain	500000	8.06	500000	8.06
Ashish Kacholia	355315	5.73	303315	4.89

2.2 Reserves and Surplus

	₹ In Lacs	
	March 31, 2016	March 31, 2015
Capital Subsidy	15.00	15.00
Securities Premium Account	73.96	73.96
General Reserve		
Balance at the beginning of the Year	980.36	980.36
Add: Transfer from Surplus	-	980.36
FCCB Redemption Reserve		
Opening Balance	-	1479.05
Less: Transferred to Surplus on redemption	-	1479.05
Surplus - Balance in Statement of Profit & Loss		
Opening Balance	8925.55	6218.55
Add: Profit for the year	1724.81	1625.49
	10650.36	7844.04
Add: Trd. from FCCB Redemption reserve on redemption	-	1479.05
Less: Proposed Dividend	620.08	186.02
Less: Tax on proposed Dividend	126.23	37.87
Less: Adjustment of carrying amount of assets	-	173.65
	9904.05	8925.55
Total	10973.37	9994.87

2.3 Borrowings

₹ In Lacs

	Non-current portion		Current maturities	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
A. Long-term Borrowings				
Secured				
Term Loans				
Indian Rupee Loans from Banks	707.31	104.90	250.00	250.00
External Commercial Borrowing from Banks	2343.59	2650.46	781.27	965.69
Hire Purchase Loans				
Banks	126.95	101.00	69.57	57.05
Others	67.01	208.56	154.33	263.35
Unsecured				
Loans & Advances from Related Parties				
Loans from Directors	501.58	525.15	-	-
Inter Corporate Deposits	-	1400.50	-	-
Loans & Advances from Others				
Inter Corporate Deposits	-	460.37	-	22.76
	3746.44	5450.94	1255.17	1558.85
Amount disclosed under the head "Other Current Liabilities" (Note.2.5(B))			(1255.17)	(1558.85)
Total	3746.44	5450.94	-	-
B. Short-term Borrowings				
Secured				
From Banks				
- Working Capital Loan			3243.27	3028.63
Total			3243.27	3028.63

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

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

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

	2016-17	2017-18	2018-19	2019-20
Rupee Term Loan				
14.00%	250.00	571.43	135.88	-
External Commercial Borrowings				
Six months Libor plus 350 bps	781.27	781.27	781.27	781.05

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).

2.4 Deferred Tax Liabilities (Net)

₹ In Lacs

	March 31, 2016	March 31, 2015
Deferred Tax Liabilities		
Depreciation	271.61	256.89
	271.61	256.89
Deferred Tax Asset		
Others	93.55	-
Provision for Doubtful Debts	32.04	4.77
	125.59	4.77
Total	146.02	252.12

2.5 Other Liabilities

	₹ In Lacs	
	March 31, 2016	March 31, 2015
A. Other Long-Term Liabilities		
Security Deposit	-	60.00
Interest accrued but not due on borrowings	-	732.17
Total	-	792.17
B. Other Current Liabilities		
Advance from Customers	648.61	451.28
Creditors for Capital Expenditure	745.29	27.81
Current Maturities of Long term Borrowings (refer note.2.3(A))	1255.17	1558.85
Interest accrued but not due on borrowings	43.88	44.08
Statutory Liabilities	114.36	83.34
Unpaid Dividend	28.49	12.57
Other Payables	892.34	745.18
Total	3728.14	2923.11

2.6 Trade Payables

	₹ In Lacs	
	March 31, 2016	March 31, 2015
Others (other than MSMED)	1409.99	1742.70
Total	1409.99	1742.70

2.7 Provisions

	₹ In Lacs	
	March 31, 2016	March 31, 2015
A. Long-term Provisions		
Provision for Employee Benefits		
for Gratuity	99.74	56.18
for Compensated absences	55.49	38.89
Total	155.23	95.07
B. Short-term Provisions		
for Gratuity	43.64	13.09
for Compensated absences	53.69	45.24
for Income Tax	866.39	1022.19
for Proposed Dividend	620.08	186.02
for tax on Proposed Dividend	126.23	37.87
Total	1710.03	1304.41

2.8 Fixed Assets

₹ In Lacs

Description	Gross Block		Depreciation		Net Block	
	As on April 1, 2015	Additions Deletions / Adjustments	Upto March 31, 2015	For the Period Adjustments	As on March 31, 2016	Upto March 31, 2016
Tangible Assets:						
Land - Freehold*	509.39 (486.30)	4.66 (23.09)	- -	- -	- (509.39)	509.39 (486.30)
Buildings	55.81 (55.81)	2.26 -	35.22 (8.78)	0.96 (26.44)	36.18 (35.22)	20.59 (47.03)
Factory & Quarry Buildings	2675.57 (2484.84)	64.30 (190.73)	858.90 (714.27)	102.27 (144.63)	961.17 (858.90)	1816.67 (1770.57)
Plant & Machinery	12035.06 (11338.40)	1125.37 (858.63)	6817.52 (6034.08)	699.32 (927.29)	7491.65 (6817.52)	5217.54 (5304.32)
Vehicles	712.94 (625.65)	87.35 (135.05)	365.82 (302.19)	60.54 (89.55)	426.36 (365.82)	347.12 (323.46)
Furniture & Fixtures	718.28 (771.63)	14.60 (11.75)	396.67 (328.84)	78.41 (92.97)	444.73 (396.67)	321.61 (442.79)
Office Equipment	301.15 (249.05)	90.37 (52.42)	199.90 (132.07)	46.37 (68.10)	246.16 (199.90)	101.25 (116.98)
Total - (A)	17008.20 (16011.68)	1388.91 (1271.67)	8674.03 (7520.23)	987.87 (1348.98)	9606.25 (8674.03)	8334.17 (8491.45)
Intangible Assets:						
Trade Marks & Brand Names	382.80 (382.80)	- -	382.80 (344.52)	- (38.28)	382.80 (382.80)	- (38.28)
Total - (B)	382.80 (382.80)	- -	382.80 (344.52)	- (38.28)	382.80 (382.80)	- (38.28)
Total - (A+B)	17391.00 (16394.48)	1388.91 (1271.67)	9056.83 (7864.75)	987.87 (1387.26)	9989.05 (9056.83)	8334.17 (8529.73)
Previous Year						

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

2.9 Non-Current Investments

	₹ In Lacs	
	March 31, 2016	March 31, 2015
Trade- Unquoted Long Term - At Cost In Subsidiary Companies - Equity Shares: 41,70,584 (1,00,000) Equity Shares of ₹ 10/- each fully paid up of Pokarna Engineered Stone Limited (refer note 2.9.1) Nil (p.y 6,10,58,764) Optionally Convertible Unsecured Debentures - Series - II - of ₹ 10/- each of Pokarna Engineered Stone Limited	6115.88	10.00
Total	6115.88	6115.88

2.9.1 Investment in Equity Shares :

- During the year 6,10,58,764 Optionally Convertible Unsecured Debentures of ₹ 10/- each in Pokarna Engineered Stone Limited, have been opted to convert into 40,70,584 Equity shares of ₹ 10/- each at a premium of ₹ 140/- as per the provisions under the scheme of arrangement approved by Hon'ble High court of Andhra Pradesh.
- 51% of investment in Equity shares are pledged to Bankers against the borrowings by the subsidiary - Pokarna Engineered Stone Limited

2.10 Loans & Advances

	₹ In Lacs	
	March 31, 2016	March 31, 2015
A. Long-term Loans and Advances Unsecured, considered good Capital Advances Security Deposit Other Advances	315.82 399.14 199.50	266.88 374.10 243.16
Total	914.46	884.14

2.10.1 Security Deposit includes ₹ 64.88 lacs pledged to Mines & Geology and other departments.

2.10.2 Capital Advances includes ₹ 132.01 Lacs (p.y. ₹ 92.06 Lacs) towards consideration paid for Land admeasuring 67.04 Acres (p.y. 49.87 Acres), which are in possession of the company. The title/conveyance/ lease deeds in respect of these assets are pending for execution in favour of the company.

	₹ In Lacs	
B. Short-term Loans and Advances Unsecured, considered good Cenvat Credit Receivable Advance for Material Advance Income Tax Loans to Employees Prepaid Expenses Other Advances Advances to Subsidiary - Pokarna Engineered Stone Limited	32.15 30.31 5.30 0.68 130.28 290.20 -	39.49 147.68 97.15 0.90 105.78 268.09 1746.92
Total	488.92	2406.01

2.11 Other Assets

	₹ In Lacs	
	March 31, 2016	March 31, 2015
A. Other Non-current Assets Non-current Bank Balances Deposits with maturity for more than 12 months Margin Money deposits Interest accrued on fixed deposits	242.44 6.73	53.90 7.40
Total	249.17	61.30
B. Other Current Assets Interest accrued on fixed deposits	29.19	14.50
Total	29.19	14.50

2.12 Inventories

	₹ In Lacs	
	March 31, 2016	March 31, 2015
Raw Material (includes in transit ₹ 14.10 Lacs (p.y. ₹ 79.03 Lacs))	705.36	836.09
Work-in-progress	106.00	154.56
Finished Goods	2316.75	1956.88
Traded Goods (includes in transit ₹ 5.39 Lacs(p.y. ₹ Nil Lacs))	78.13	35.46
Consumables, Stores & Spares (includes in transit ₹ 1.23 Lacs (p.y. ₹ 0.96 Lacs))	695.69	566.64
Packing Material (includes in transit ₹ Nil Lacs (p.y. ₹ 0.77Lacs))	85.60	78.75
Total	3987.53	3628.38

2.13 Trade Receivables

	₹ In Lacs	
	March 31, 2016	March 31, 2015
Unsecured		
Outstanding for a period exceeding six months		
Considered good	149.74	593.66
Doubtful	223.52	14.04
Other Receivables		
Considered good	2948.95	3303.51
	3322.21	3911.21
Provision for doubtful receivables	92.58	14.04
Total	3229.63	3897.17

2.13.1 Trade Receivables include:

	₹ In Lacs	
	March 31, 2016	March 31, 2015
Debts due from company/ firm in which company's directors are directors / partners		
- Pokarna Fashions Limited	-	336.97
- Adam 'N' Eve	28.52	-

2.14 Cash and Bank Balances

	₹ In Lacs			
	Non-current		Current	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Cash and Cash Equivalents				
Balances with Banks			126.78	75.80
Deposits - Margin Money with maturity less than 3 months			87.00	19.25
In unpaid Dividend Account			28.49	12.57
Cash in Hand			2.87	4.19
			245.14	111.81
Other Bank Balances				
Deposits - Margin Money with maturity for more than 3 months but less than 12 months			451.77	313.37
with maturity for more than 12 months	242.44	53.90		
Amount disclosed under the head "Other Non-current Assets" (Note.2.11(A))	(242.44)	(53.90)		
Total	-	-	696.91	425.18

2.15 Revenue from Operations

	₹ In Lacs	
	March 31, 2016	March 31, 2015
Sale of Products		
Finished Goods	18795.25	19024.95
Traded Goods	670.95	258.21
	19466.20	19283.16
Sale of Services	6.86	15.88
Other Operating Income		
Scrap Sales	26.24	56.52
Revenue from Operations (Gross)	19499.30	19355.56
Details of Products Sold		
Finished Goods		
Finished Granite	9892.91	12585.36
Raw Granite	8178.82	5841.28
Apparel	723.52	598.31
	18795.25	19024.95
Traded Goods		
Finished Granite	268.24	130.18
Raw Granite	261.25	-
Apparel	17.41	16.20
Fabric	124.05	111.83
	670.95	258.21
Total	19466.20	19283.16
Details of Services Rendered		
Job work Charges	6.86	15.88
Total	6.86	15.88

2.16 Other Income

	₹ In Lacs	
	March 31, 2016	March 31, 2015
Interest income on		
Bank Deposits	39.15	35.14
Debentures	64.74	153.23
Others	221.56	9.75
Commission Income	13.10	0.36
Foreign Exchange Gain	-	196.73
Miscellaneous Income	5.07	65.34
Provision for doubtful debts written back	-	10.47
Hire Charges Received	79.65	59.40
Gain / Benefits on redemption of FCCB's	-	549.97
Deduct: Reimbursed	-	(549.97)
Total	423.27	530.42

2.17 Cost of Raw Material and Components consumed

	₹ In Lacs	
	March 31, 2016	March 31, 2015
Opening Stock	866.52	737.94
Add: Purchases	2305.33	3423.32
	3171.85	4161.26
Less: Closing Stock	732.25	866.52
Total	2439.60	3294.74
Details of Raw Material and Components consumed		
Raw Granite	2156.92	2964.52
Fabric	249.67	285.35
Consumables	33.01	44.87
Total	2439.60	3294.74
Details of Inventory		
Raw Granite	461.05	684.57
Fabric	244.30	151.52
Consumables	26.90	30.43
Total	732.25	866.52

2.18 Details of Purchase of Traded Goods

	₹ In Lacs	
	March 31, 2016	March 31, 2015
Finished Granite	180.55	87.31
Raw Granite	107.88	-
Apparel	24.81	(5.06)
Fabric	50.04	60.03
Total	363.28	142.28

2.19 (Increase) / Decrease in Inventories

	₹ In Lacs	
	March 31, 2016	March 31, 2015
Opening Stock		
Finished Goods	1504.38	1411.41
Work-in-Process	154.56	141.38
Raw Granite	452.50	329.50
Traded Goods	35.46	64.04
	2146.90	1946.33
Less: Closing Stock		
Finished Goods	1851.98	1504.38
Work-in-Process	106.00	154.56
Raw Granite	464.77	452.50
Traded Goods	78.13	35.46
	2500.88	2146.90
Total	(353.98)	(200.57)
Details of Inventory		
Traded Goods		
Raw Granite	5.39	-
Apparel	41.11	19.66
Fabric	31.63	15.80
Total	78.13	35.46
Work-In-Progress		
Finished Granite	74.59	144.71
Apparel	31.41	9.85
Total	106.00	154.56
Finished Goods		
Finished Granite	1427.88	1129.91
Raw Granite	464.77	452.50
Apparel	424.10	374.47
Total	2316.75	1956.88

2.20 Employee Benefits Expense

	₹ In Lacs	
	March 31, 2016	March 31, 2015
Salaries, Wages, Bonus & Allowances	2504.14	2245.35
Contribution to Provident Fund and Other Fund	132.93	124.78
Retirement Benefits	109.29	107.15
Staff Welfare Expenses	172.67	167.38
Total	2919.03	2644.66

2.21 Other Expenses

	₹ In Lacs	
	March 31, 2016	March 31, 2015
Consumption of Stores & Spares	2019.47	2301.22
Processing & Job work expenses	194.63	231.83
Power and Fuel	1649.25	1689.55
Repairs and Maintenance:-		
- Plant and Machinery	208.33	94.87
- Building	99.83	15.44
- Others	57.86	60.06
Cutter and Driller Charges	504.81	450.93
Royalty on Quarry Land	12.69	7.45
Rent	342.09	302.67
Rates and Taxes	25.86	26.24
Insurance	80.13	83.07
Communication Charges	50.76	48.94
Printing & Stationery	21.01	21.22
Travelling & Conveyance Expenses	185.18	211.71
Electricity Charges	62.84	42.75
Vehicle Maintenance	89.89	83.80
Auditors Remuneration	9.58	8.49
Advertisement	129.70	13.48
Legal and Professional Charges	160.19	77.71
Commission to Non-Executive Directors	30.00	27.00
Directors Sitting Fees	6.09	6.86
Donations	7.75	3.38
Corporate Social Responsibility Activity Expenses	9.63	5.65
Fees & Subscriptions	11.26	6.88
Government Royalty and Dead Rent	991.63	715.52
Carriage Outwards	1178.37	1216.80
Sales Commission	69.38	67.18
Discounts and Claims	132.56	43.23
Business Promotion Expenses	359.66	366.36
Packing Material	262.29	282.87
Provision for Doubtful Debts	78.54	-
Excise Duty-Others	10.05	14.67
Sales Tax	90.07	146.76
Bank Charges	64.10	73.71
Foreign Exchange Loss	19.81	-
Impairment / Loss on sale of assets	42.86	43.14
Miscellaneous Expenses	54.13	42.01
Total	9322.28	8833.45

2.21.1 Auditors Remuneration

	₹ In Lacs	
Particulars	March 31, 2016	March 31, 2015
Statutory Audit	5.50	5.00
Tax Audit	1.25	1.00
Certification	2.08	1.97
Out of Pocket expenses	0.30	0.21
Service Tax	0.45	0.31

2.22 Depreciation & Amortization

	₹ In Lacs	
	March 31, 2016	March 31, 2015
Depreciation on tangible assets	987.87	1085.91
Amortization on intangible assets	-	38.28
Total	987.87	1124.19

2.23 Finance Costs

	₹ In Lacs	
	March 31, 2016	March 31, 2015
Interest on Borrowings:		
- Banks	706.24	711.97
- Others	400.89	469.65
Interest on Taxes / Duties	157.42	41.11
Other Borrowing Cost:		
Cost of variable coupon on restatement of FCCB	-	133.36
Deduct : charges for variable coupon / interest on debentures	-	(133.36)
Total	1264.55	1222.73

2.24 Contingent

	₹ In Lacs	
	March 31, 2016	March 31, 2015
1. Contingent Liabilities not provided for		
a) Letter of Credits outstanding	203.83	326.28
b) Claims against the company / disputed liabilities not acknowledged as debts:		
i) Income tax matters, pending decisions on various appeals made by the company and by the Department. Amount deposited ₹ Nil Lacs (previous year ₹ 12.47 Lacs)	35.53	27.76
ii) Excise matters (including service tax), amount deposited ₹ 5.57 Lacs (previous year ₹ 5.57 Lacs)	231.50	238.61
iii) Customs matters, amount deposited ₹ Nil Lacs (previous year ₹ 37.09 Lacs)	75.91	75.91
iv) Sales tax matters, amount deposited ₹ 2.69 Lacs (previous year ₹ 9.44 Lacs)	54.19	112.28
v) Mines & Geology matters	321.05	138.20
vi) Cross subsidy charges payable to Central Power Distribution Company	52.53	52.53
vii) Fuel Surcharge adjustment (FSA) claim to the extent billed by Power distribution Companies of TG	5.29	5.29
viii) In view of the amendment in The Payment of Bonus Act, 1965 notified on January 1, 2016, which was effective retrospectively from April 1, 2014, the company on the legal advice has decided not to consider it on account of the interim order dated April 26, 2016 of Hon'ble Andhra Pradesh High Court allowing stay on the amendment with retrospective effect till the time its constitutional validity is established.	39.20	-
ix) Other Matters disputed	116.79	132.25
x) Other Commitments:		
The company is also involved in other lawsuits, claims, investigations and proceedings, including patent and commercial matters, which arise in the ordinary course of business. However, there are no material claims on such cases.		
2. Capital Commitments		
Estimated amount of contracts remaining to be executed on Capital Account not provided for (net of advances)	1070.39	1369.04

2.25 Financial and Derivative Instruments

	₹ In Lacs	
	March 31, 2016	March 31, 2015
Foreign currency exposure that are not hedged by derivative or forward contracts as on March 31, 2016	6254.05	5752.85

2.26 Deferred Tax

Particulars	₹ In Lacs	
	March 31, 2016	March 31, 2015
Deferred Tax Liability		
Depreciation	14.73	-
Provision for Debtors	-	3.56
Total	14.73	3.56
Deferred Tax Asset		
Provision for Debtors	27.27	-
Others	93.55	-
Depreciation	-	113.68
Total	120.82	113.68
Net Deferred Tax Liability / (Asset)	(106.09)	(110.12)

2.27 Related Party Disclosures :

As per Accounting Standard 18, the disclosures of transactions with the related parties are given below:

(i) List of related parties where control exists and related parties with whom transactions have taken place and relationships:

a) Enterprises where control exists:

Pokarna Engineered Stone Limited – Wholly owned Subsidiary

b) Names of the Associates:

Pokarna Fabrics Limited, Pokarna Fashions Limited, Pokarna Marketing Limited, Southend, Southend Extension

c) Enterprises over which key Managerial Personnel are able to exercise significant influence

Adam 'N' Eve

d) Names of Key Management Personnel

Gautam Chand Jain, Rahul Jain, Apurva Jain

e) Names of Relatives

Prakash Chand Jain, Ashok Chand Jain, Raaj Kumar Jain, Vidya Jain, Rekha Jain, Anju Jain, Ritu Jain, Chaya Jain, Pratik Jain, Neha Jain, Nidhi Jain, Suvidh Chordia, Gautam Chand Jain (HUF), Prakash Chand Jain (HUF)

(ii) Transactions during the year with related parties :

Nature of the Transaction	₹ In Lacs				
	Subsidiary	Associates/ other related parties	Key Management Personnel	Relatives	Total
Purchases					
Goods and Services, net	-	30.24	-	11.08	41.32
	-	(21.72)	-	(9.41)	(12.31)
Fixed Asset	14.28	-	-	-	14.28
	-	-	-	-	-
Sales					
Goods and Services, net	8.09	(77.57)	-	0.74	(68.74)
	-	(282.90)	-	(3.90)	(286.80)
Job Work	-	0.27	-	1.77	2.04
	(0.59)	-	-	(2.49)	(3.08)
Fixed Asset	-	-	-	-	-
	(15.61)	-	-	-	(15.61)
Expenses					
Remuneration	-	-	323.65	-	323.65
	-	-	(289.51)	-	(289.51)
Sitting fee & Commission	-	-	-	5.80	5.80
	-	-	-	(5.70)	(5.70)
Salaries	-	-	-	4.50	4.50
	-	-	-	-	-
Rent	-	31.45	4.71	66.81	102.97
	-	(31.02)	-	-	(31.02)
Interest	-	220.18	15.03	54.98	290.19
	-	(168.06)	(52.31)	(76.66)	(297.03)

₹ In Lacs					
Nature of the Transaction	Subsidiary	Associates/ other related parties	Key Management Personnel	Relatives	Total
Cost of variable coupon on restatement of FCCB	-	-	-	-	-
	(133.36)	-	-	-	(133.36)
Income					
Interest	212.48	-	-	-	212.48
	-	-	-	-	-
Gain / Benefits on redemption of FCCB transferred	-	-	-	-	-
	(1025.11)	-	-	-	(1025.11)
Interest on Debentures	64.74	-	-	-	64.74
	(153.23)	-	-	-	(153.23)
Other receipts					
Reimbursement of Expenses	15.36	-	-	-	15.36
	-	-	-	-	-
Loans & Advances and Rent Deposit					
Loans & Advances received back	1730.10	-	-	-	1730.10
	-	-	-	-	-
Loan Repaid	-	2073.40	-	99.00	2172.40
	-	-	(396.00)	(274.00)	(670.00)
Loans & Advances given	-	-	-	-	-
	(75.14)	-	-	-	(75.14)
Rent Deposit given	-	1.92	-	58.53	60.45
	-	-	-	-	-
Outstandings					
Receivables	-	28.52	-	-	28.52
	(1917.59)	(336.87)	-	(21.24)	(2275.70)
Payables	-	42.49	225.88	451.73	720.10
	-	(2172.53)	(320.47)	(489.23)	(2982.23)
Rent Deposit given	-	23.20	-	58.53	81.73
	-	(21.28)	-	-	(21.28)
Investments	6115.88	-	-	-	6115.88
	(6115.88)	-	-	-	(6115.88)

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

₹ In Lacs				
S. No	Particulars	Relationship	2015-16	2014-15
1	Purchases			
	Goods and Services, net			
	Pokarna Fabrics Limited	Associate	19.95	15.15
	Pokarna Fashions Limited	Associate	7.95	2.38
	Pokarna Marketing Limited	Associate	2.30	4.19
	Southend Extension	Associate	0.04	-
	Neha Jain	Relative	11.08	(9.41)
	Fixed Asset			
	Pokarna Engineered Stone Limited	Subsidiary	14.28	-
2	Sales			
	Goods and Services, net			
	Pokarna Engineered Stone Limited	Subsidiary	8.09	-
	Pokarna Fabrics Limited	Associate	0.34	-
	Pokarna Fashions Limited	Associate	(108.12)	254.86
	Southend	Associate	0.47	9.30
	Southend Extension	Associate	(2.28)	18.74
	Pratik Jain	Relative	0.00	1.24
	Anju Jain	Relative	0.74	2.66
	Adam 'N' Eve	Related Party	32.02	-
	Job Work			
	Pokarna Engineered Stone Limited	Subsidiary		0.59

				₹ In Lacs	
S. No	Particulars	Relationship	2015-16	2014-15	
	Southend Extension	Associate	0.27	-	
	Neha Jain	Relative	1.77	2.49	
	Fixed Asset				
	Pokarna Engineered Stone Limited	Subsidiary	-	15.61	
3	Expenses				
	Remuneration				
	Gautam Chand Jain	Key Management Personnel	153.00	144.36	
	Rahul Jain	Key Management Personnel	158.65	136.41	
	Apurva Jain	Key Management Personnel	12.00	8.74	
	Sitting Fee & Commission				
	Prakash Chand Jain	Relative	5.80	5.70	
	Salary				
	Nidhi Jain	Relative	4.50	-	
	Rent				
	Pokarna Fabrics Limited	Associate	31.45	31.02	
	Gautam Chand Jain	Key Management Personnel	4.71	-	
	Prakash Chand Jain	Relative	12.89	-	
	Gautam Chand Jain (HUF)	Relative	16.14	-	
	Prakash Chand Jain (HUF)	Relative	16.79	-	
	Vidya Jain	Relative	8.18	-	
	Ritu Jain	Relative	5.63	-	
	Pratik Jain	Relative	7.18	-	
	Interest				
	Pokarna Fabrics Limited	Associate	219.43	137.46	
	Pokarna Marketing Limited	Associate	0.75	30.60	
	Gautam Chand Jain	Key Management Personnel	10.55	47.84	
	Rahul Jain	Key Management Personnel	4.48	4.47	
	Prakash Chand Jain	Relative	54.98	76.66	
	Cost of Variable Coupon on Restatement of FCCB				
	Pokarna Engineered Stone Limited	Subsidiary	-	133.36	
4	Income				
	Interest				
	Pokarna Engineered Stone Limited	Subsidiary	212.48	-	
	Gain/Benefit on Redemption of FCCB Transferred				
	Pokarna Engineered Stone Limited	Subsidiary	-	1025.11	
	Interest on Debentures				
	Pokarna Engineered Stone Limited	Subsidiary	64.74	153.23	
5	Other Receipts				
	Reimbursement of Expenses				
	Pokarna Engineered Stone Limited	Subsidiary	15.36	-	
6	Loans & Advances and Rent				
	Deposit				
	Loans & Advance received back				
	Pokarna Engineered Stone Limited	Subsidiary	1730.10	-	
	Loan Repaid				
	Pokarna Marketing Limited	Associate	377.75	-	
	Pokarna Fabrics Limited	Associate	1695.65	-	
	Gautam Chand Jain	Key Management Personnel	-	386.00	
	Rahul Jain	Key Management Personnel	-	10.00	
	Prakash Chand Jain	Relative	99.00	274.00	
	Loan & Advance given				
	Pokarna Engineered Stone Limited	Subsidiary	-	75.14	
	Rent Deposit given				
	Pokarna Fabrics Limited	Associate	1.92	-	
	Prakash Chand Jain	Relative	8.33	-	
	Gautam Chand Jain (HUF)	Relative	16.44	-	
	Prakash Chand Jain (HUF)	Relative	17.10	-	
	Vidya Jain	Relative	8.33	-	

				₹ In Lacs	
S. No	Particulars	Relationship	2015-16	2014-15	
	Pratik Jain	Relative	8.33	-	
7	Oustandings				
	Receivables				
	Pokarna Engineered Stone Limited	Subsidiary	-	1917.59	
	Pokarna Fashions Limited	Associate	-	336.87	
	Raaj Kumar Jain	Relative	-	12.68	
	Suvidh Chordia	Relative	-	4.66	
	Anju Jain	Relative	-	2.66	
	Pratik Jain	Relative	-	1.24	
	Adam 'N' Eve	Related Party	28.52	-	
	Payables				
	Pokarna Fabrics Limited	Associate	36.78	1754.94	
	Pokarna Fashions Limited	Associate	-	35.00	
	Pokarna Marketing Limited	Associate	-	378.90	
	Southend Extension	Associate	5.71	3.66	
	Southend	Associate	-	0.03	
	Gautam Chand Jain	Key Management Personnel	131.00	178.79	
	Rahul Jain	Key Management Personnel	90.81	141.68	
	Apurva Jain	Key Management Personnel	4.07	-	
	Prakash Chand Jain	Relative	403.82	482.45	
	Nidhi Jain	Relative	5.86	-	
	Neha Jain	Relative	14.85	6.78	
	Gautam Chand Jain (HUF)	Relative	7.39	-	
	Prakash Chand Jain (HUF)	Relative	7.69	-	
	Vidya Jain	Relative	3.75	-	
	Ritu Jain	Relative	5.14	-	
	Pratik Jain	Relative	3.23	-	
	Rent Deposit given				
	Pokarna Fabrics Limited	Associate	23.20	21.28	
	Prakash Chand Jain	Relative	8.33	-	
	Gautam Chand Jain (HUF)	Relative	16.44	-	
	Prakash Chand Jain (HUF)	Relative	17.10	-	
	Vidya Jain	Relative	8.33	-	
	Pratik Jain	Relative	8.33	-	
	Investments				
	Pokarna Engineered Stone Limited	Subsidiary	6115.88	6115.88	

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

				₹ In Lacs	
Particulars	March 31, 2016	March 31, 2015			
a) Principal amount remaining unpaid and interest due thereon	Nil	Nil			
b) Interest paid in term of Section 16	Nil	Nil			
c) Interest due and payable for the period of delay in payment	Nil	Nil			
d) Interest accrued and remaining unpaid	Nil	Nil			
e) Interest due and payable even in succeeding years	Nil	Nil			

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

2.29 Earnings Per Share (EPS)

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

				₹ In Lacs	
Particulars	March 31, 2016	March 31, 2015			
Basic and Diluted Earnings Per Share					
Numerator for Basic earnings per share:					
Profit attributable to the Equity Share Holders	1724.81	1625.49			
Denominator for Basic earnings per share:					
Basic / Weighted Average number of shares	6200800	6200800			
Basic Earnings Per Share (in ₹)	27.82	26.21			

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:

₹ In Lacs

Particulars	March 31, 2016	31.03.2015
Defined Contribution Plan		
Employer’s Contribution to Provident Fund	115.21	103.31

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.

₹ In Lacs

Particulars	Gratuity (Funded)		Compensated Absence (Unfunded)	
	Year Ended	Year Ended	Year Ended	Year Ended
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
a) Reconciliation of opening and closing balances of the present value of the Projected Benefit Obligation				
Projected Benefit Obligation at Beginning of year	270.48	208.18	44.26	27.23
Current service cost	38.32	44.61	40.49	32.71
Past Service Cost	-	-	-	-
Interest cost	20.56	17.21	3.23	1.95
Actuarial(Gain)/Loss	42.96	34.30	(19.32)	(6.45)
Benefits paid	(11.77)	(33.82)	(5.23)	(11.18)
Projected Benefit Obligation at year end	360.55	270.48	63.43	44.26
b) Reconciliation of opening and closing balances of Fair Value of plan assets				
Fair value of Plan asset at beginning of year	201.21	200.60	-	-
Adjustment of opening balance	-	-	-	-
Expected return on Plan Assets	17.08	17.31	-	-
Actuarial(Gain)/Loss	(0.13)	(0.12)	-	-
Employer Contribution	10.78	17.24	5.23	11.18
Benefits Paid	(11.77)	(33.82)	(5.23)	(11.18)
Fair value of Plan asset at year end	217.17	201.21	-	-
c) Reconciliation of fair value of assets and Obligation				
Fair value of Plan assets	217.17	201.21	-	-
Present value of Projected Benefit obligation	360.55	270.48	63.43	44.26
Amount recognized in Balance Sheet	(143.38)	(69.27)	(63.43)	(44.26)
d) Expenses recognized during the year Under the head “Personnel Costs”.				
Current service cost	38.32	44.61	40.49	32.71
Interest cost	20.56	17.21	3.23	1.95
Past Service Cost	-	-	-	-
Expected return on Plan Assets	(17.08)	(17.31)	-	-
Actuarial(Gain)/Loss	43.09	34.42	(19.32)	(6.45)
Income(-)/Expenses(+) recognized in the statement of Profit & Loss	84.89	78.93	24.40	28.21

				₹ In Lacs
Particulars	2006-08	2006-08	2006-08	2006-08
e) Actuarial Assumptions				
Mortality Table (L.I.C)	(Ultimate)	(Ultimate)	(Ultimate)	(Ultimate)
Discount rate (per annum)	7.77%	7.77%	7.77%	7.77%
Rate of escalation in salary (per annum)	7.75%	6.25%	6.25%	6.25%
Attrition Rate	8.00%	7.50%	7.50%	7.50%
Expected return on Plan assets – LIC	8.51%	9.00%	-	-
f) The estimates of future salary increases considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors.				
g) The company expects to contribute ₹ 20.00 Lakhs to its Gratuity plan for the next year.				

2.32 Leases:

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

- (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.

Particulars	March 31, 2016	March 31, 2015
Rent expenses included in Profit and Loss Account towards operating leases	342.09	302.67
Minimum Lease obligation under non-cancellable lease contracts amounts to:		
Within 1 year	226.18	247.72
After 1 year but before 5 years	904.71	990.88
After 5 years	-	-
Total	1130.89	1238.60

2.33 Provisions

						₹ In Lacs
Particulars	Carrying amount as at April 1, 2015	Additional Provisional made during the year	Amount written off during the year	Amount reversed during the year	Unused as at March 31, 2016	
Provision for Doubtful Debts	14.04	78.54	-	-	92.58	

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

Class of Goods		March 31, 2016		March 31, 2015	
		Value	%	Value	%
Raw Material	Imported	506.57	16.03	340.85	8.18
	Indigenous*	2652.76	83.97	3827.77	91.82
	Total	3159.33	100.00	4168.62	100.00
Consumables, Stores & Spares	Imported	1046.38	50.98	1397.09	59.55
	Indigenous	1006.10	49.02	949.00	40.45
	Total	2052.48	100.00	2346.09	100.00

* Including inter unit transfer of 4790 CBM of ₹ 752.74 lakhs (previous year 7005 CBM of ₹ 918.75 lakhs)

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

Particulars	March 31, 2016	March 31, 2015
Raw Material	552.73	409.36
Components and Spare parts	1298.07	1327.92
Capital Items	1439.62	720.87

c) **Earnings in foreign currency:**

Particulars	March 31, 2016	March 31, 2015
Revenue from Export Sales on FOB basis	14012.87	13806.51

d) **Expenditure in foreign currency:**

Particulars	March 31, 2016	March 31, 2015
Travel & Conveyance	130.51	116.86
Business Promotion	228.36	185.36
Interest	145.58	137.83
Others	38.20	44.59

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

As per our report attached

For and on behalf of Board of Directors

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

Shantilal Daga
Partner
Membership No. 11617

Place : Hyderabad
Date : May 30, 2016

Gautam Chand Jain
Meka Yugandhar
Mahender Chand
Prakash Chand Jain
Rahul Jain
Dhanji Lakhamsi Sawla
M Viswanatha Reddy
Vinay Paruchuru

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

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES

1	Sl. No.	1		
2	Name of the Subsidiary Company	Pokarna Engineered Stone Limited		
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	No		
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Indian subsidiary - Not Applicable		
			March 31, 2016	March 31, 2015
5	Share Capital		417.06	10.00
6	Reserves & Surplus		3786.24	(5310.30)
7	Total Assets		27309.47	24929.10
8	Total Liabilities		27309.47	24929.10
9	Investments		Nil	Nil
10	Turnover		20147.68	13573.59
11	Profit Before Taxation		3823.98	1801.66
12	Provision for Taxation		426.25	290.64
13	Profit After Taxation		3397.73	1511.02
14	Proposed Dividend		Nil	Nil
15	% of Shareholding		100%	100%

INDEPENDENT AUDITORS' REPORT

To
The Members
of Pokarna Limited.

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of Pokarna Limited ("hereinafter referred to as the Holding Company") and its subsidiary- Pokarna Engineered Stone Limited (together referred to as "the Group"), comprising of the consolidated Balance Sheet as at March 31, 2016, the consolidated statement of Profit and Loss, the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility to the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and Accounting Standard 30, Financial Instruments: Recognition and Measurement issued by the Institute of Chartered Accountants of India to the extent it does not contradict any other accounting standard referred to in Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of Consolidated Financial Statements. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements 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.
5. 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 judgement, 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 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 the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group as at March 31, 2016 and their consolidated cash flows for the year ended on that date.

Emphasis of matter

7. We draw attention to the note no. 2.3.2b and 2.24 to the consolidated financial statements which explain that its wholly owned subsidiary Pokarna Engineered Stone Limited has opted, during the year, to exit from CDR mechanism and agreed to pay recompense amount of ₹ 1751.95 lacs to the bankers and the same has been provided for in the books and disclosed as an 'Exceptional Item-Expense'. The agreed terms of payment of recompense amount are a) upfront payment of ₹ 151.95 Lacs in cash and b) ₹ 1600 Lacs by way of non-convertible debentures with a coupon rate of 11% redeemable in three years. The exit from CDR mechanism is subject to approval by the competent authorities of respective banks and the CDR Empowered Group.

Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

8. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and its subsidiary – Pokarna Engineered Stone Limited, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiary incorporated in India and the operating effectiveness of such controls, refer to our separate report in Annexure A.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The consolidated financial statements disclosed the impact of pending litigations on the consolidated financial position of the Group (refer note. 2.25) in the consolidated financial statements.
 - (ii) The Company has made provision in the consolidated financial statements, as required under the applicable law or Accounting Standards, for material foreseeable losses, if any, on long term contracts. The Company neither entered into any derivative contract during the year nor have any outstanding derivative contract at the end of the year.
 - (iii) There has been no delay in transferring amounts, as required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary company.

For S Daga Co.
Chartered Accountants
(ICAI FRNo. 000669S)

(Shantilal Daga)
M. No. 11617
Partner

Place: Hyderabad
Date: May 30, 2016

ANNEXURE - A TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 10 (f) of the Independent Auditors' Report of even date to the members of Pokarna Limited on the consolidated financial statements for the year ended March 31, 2016.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of Pokarna Limited (hereinafter referred to as "the Holding Company") and its subsidiary, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be

detected. Also projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S. Daga Co.
Chartered Accountants
(ICAI FRNo. 000669S)

(Shantilal Daga)
M. No. 11617
Partner

Place: Hyderabad
Date: May 30, 2016

CONSOLIDATED BALANCE SHEET

		₹ In Lacs	
	Notes	As at March 31, 2016	As at March 31, 2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2.1	620.08	620.08
Reserves & Surplus	2.2	9058.76	4684.21
		9678.84	5304.29
Non-Current Liabilities			
Long-term Borrowings	2.3	17915.11	20077.51
Deferred Tax Liabilities (Net)	2.8 A	146.02	252.12
Other Long-term Liabilities	2.4	-	2152.16
Long-term Provisions	2.5	1969.18	119.29
		20030.31	22601.08
Current Liabilities			
Short-term Borrowings	2.3	6540.90	5899.16
Trade Payables	2.6	2426.40	3115.96
Other Current Liabilities	2.4	5716.64	4752.62
Short-term Provisions	2.5	2531.04	1426.27
		17214.98	15194.01
Total		46924.13	43099.38
ASSETS			
Non-current Assets			
Fixed Assets			
Tangible Assets	2.7	23877.63	24056.17
Capital Work-In-Progress		2005.38	560.08
Deferred Tax Asset (Net)	2.8 B	417.51	843.77
Long-term Loans and Advances	2.9	1569.55	869.92
Other Non-current Assets	2.10	274.23	61.30
		28144.30	26391.24
Current Assets			
Inventories	2.11	8858.67	7718.22
Trade Receivables	2.12	7849.76	6929.32
Cash and Bank Balances	2.13	1318.16	1202.83
Short-term Loans and Advances	2.9	718.97	835.78
Other Current Assets	2.10	34.27	21.99
		18779.83	16708.14
Total		46924.13	43099.38
Significant Accounting Policies	1		
Notes on Financial Statements	2		

The accompanying notes are an integral part of financial statements

As per our report attached

For and on behalf of Board of Directors

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

Shantilal Daga
Partner
Membership No. 11617

Place : Hyderabad
Date : May 30, 2016

Gautam Chand Jain
Meka Yugandhar
Mahender Chand
Prakash Chand Jain
Rahul Jain
Dhanji Lakhamsi Sawla
M Viswanatha Reddy
Vinay Paruchuru

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

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

	Notes	For the year ended March 31, 2016	For the year ended March 31, 2015
₹ In Lacs			
INCOME			
Revenue from Operations (gross)	2.14	39899.41	33369.53
Less :Excise Duty / Customs Duty		467.14	733.60
Revenue from Operations (net)		39432.27	32635.93
Other Income	2.15	538.01	714.88
Total		39970.28	33350.81
EXPENSES			
Cost of Raw Material and Components consumed	2.16	8985.38	8287.21
Purchase of Traded Goods	2.17	363.27	142.28
(Increase) / Decrease in Inventories of Finished Goods,			
Work-in-Progress and Traded Goods	2.18	(203.67)	629.29
Employee Benefits Expense	2.19	3705.04	3233.61
Other Expenses	2.20	13266.78	11986.13
Total		26116.80	24278.52
Earnings Before Interest, Tax, Depreciation and Amortization		13853.48	9072.29
Depreciation and Amortization	2.21	1827.01	2307.82
Finance Costs	2.22	3678.89	3223.25
Profit/(Loss) Before Extraordinary items & Tax		8347.58	3541.22
Extraordinary Items -Income	2.23	-	791.96
Exceptional Item -Expense	2.24	1751.95	-
Profit / (Loss) Before Tax		6595.63	4333.18
Tax Expenses			
Current Tax		1620.59	1016.51
Less: MAT credit entitlement		(524.16)	-
Deferred Tax		320.16	180.52
Prior year tax		58.18	-
Total Tax Expenses		1474.77	1197.03
Profit/(Loss) After Tax		5120.86	3136.15
Earnings Per Share - Basic & Diluted (in ₹)		82.58	50.58
(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
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Chairman & Managing Director
Director
Director
Director
Managing Director
Director
Chief Financial Officer
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT

	₹ In Lacs	
	For the year ended 31.03.2016	For the year ended 31.03.2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax and Exceptional/ Extraordinary Items	8347.58	3541.22
Adjustments:		
Depreciation and amortization expense	1827.01	2307.82
Loss/(profit) on sale of fixed assets	43.54	43.41
Unrealized foreign exchange (gain) / loss, net	18.17	27.62
Provision for Doubtful Debts, net	50.27	89.64
Provision for Warranties	172.78	111.00
Interest expense	3678.89	3223.25
Interest income	(69.83)	(62.16)
Operating profit before working capital changes	14068.41	9281.80
Changes in working capital and other provisions:		
Trade receivables	(980.70)	(1662.88)
Inventories	(1140.45)	272.16
Loans and advances and other assets	(505.19)	55.34
Other Liabilities and provisions	327.55	(1536.24)
Cash generated from operations	11769.62	6410.18
Income taxes paid, net	(1219.47)	(332.32)
Net cash provided by operating activities	10550.15	6077.86
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets and changes in capital work in progress	(3149.50)	(1595.91)
Proceeds from sale of fixed assets	12.20	22.13
Interest income	69.83	62.16
Net cash used in investing activities	(3067.47)	(1511.62)
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank Borrowings	(563.30)	(454.89)
Other Borrowings	(1297.38)	(1487.03)
(Exceptional) / Extraordinary Items	(1751.95)	1249.22
Interest expense	(3678.89)	(3223.25)
Dividend paid	(223.89)	(145.10)
Net cash generated in financing activities	(7515.41)	(4061.05)
Net Increase/ (Decrease) in Cash and Cash Equivalents	(32.73)	505.19
Cash and bank balances at the beginning of the year	802.39	286.61
Effect of exchange gain on cash and cash equivalents	22.35	10.59
Cash and bank balances at the end of the year	792.01	802.39
Significant Accounting Policies	1	
Notes on Financial Statements	2	

The accompanying notes are an integral part of financial statements

As per our report attached

For and on behalf of Board of Directors

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

Shantilal Daga
Partner
Membership No. 11617

Place : Hyderabad
Date : May 30, 2016

Gautam Chand Jain
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M Viswanatha Reddy
Vinay Paruchuru

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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 March 31, 2016.

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

Principles of Consolidation

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

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

B Other Significant Accounting Policies

A Use of Estimates

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

B Revenue Recognition

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

C Recognition of Expenditure

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

D Fixed Assets

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

E Intangible Assets

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

F Impairment of Assets

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

G Capital Work-in-Progress

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

H Depreciation

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

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

I Investments

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

J Inventories

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

K Employee Benefits

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

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

L Foreign Currency Transactions

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

M Leases

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

N Borrowing Cost

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

O Provisions, Contingent Liabilities and Contingent Assets

- (i) **Provisions:** Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.
- (ii) **Contingent Liabilities:** Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.
- (iii) **Contingent Assets:** Contingent Assets are neither recognised or disclosed in the financial statements.

P Accounting for Taxes on Income

- (i) **Current Tax**
Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of the Income-tax Act, 1961.
- (ii) **Deferred Tax**
Deferred tax assets and liabilities are recognised by computing the tax effect on timing differences which arise during the year and reverse in the subsequent periods. The Company is eligible for tax exemption available under section 10AA of the Income Tax Act, 1961, in respect of its unit in Special Economic Zone. In view of tax exemption available to the Company under Section 10AA of the Income Tax Act, 1961, deferred tax is recognised in respect of timing differences, which originate before or during the tax holiday period but reverse before or after the tax holiday period. Deferred tax assets against unabsorbed depreciation and carried forward loss under tax laws, are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets on other timing differences are recognised only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.
- (iii) **Minimum Alternate Tax**
Minimum Alternate Tax credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.
- (iv) **Current and Deferred tax** is measured based on the provisions of tax laws and tax rates enacted or substantively enacted as at the Balance Sheet date.

2. Notes to Financial Statements:

₹ In Lacs

- A. The Consolidated Financial Statements present the consolidated Accounts of holding company - 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.

2.1 Share Capital

	March 31, 2016	March 31, 2015
Authorised:		
2,00,00,000 (2,00,00,000) Equity Shares of ₹ 10/- each	2000.00	2000.00
Issued, Subscribed and fully paid-up:		
62,00,800 (62,00,800) Equity Shares of ₹ 10/- each	620.08	620.08
Total	620.08	620.08

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

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

Terms / rights attached to equity shares:

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

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

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

	March 31, 2016		March 31, 2015	
	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	625000	10.08	600000	9.68
Raaj Kumar Jain	510150	8.23	510150	8.23
Dilip Kumar Jain	500000	8.06	500000	8.06
Ashish Kacholia	355315	5.73	303315	4.89

2.2 Reserves and Surplus

	March 31, 2016		31.03.2015	
Capital Subsidy		15.00		15.00
Securities Premium Account		73.96		73.96
General Reserve				
Balance at the beginning of the Year	980.36		980.36	
Add: Transfer from Surplus	-	980.36	-	980.36
FCCB Redemption Reserve				
Opening Balance	-		1479.05	
Less: Transferred to Surplus on redemption	-	-	1479.05	-
Surplus - Balance in Statement of Profit & Loss				
Opening Balance	3614.89		(592.30)	
Add: Profit for the year	5120.86		3136.15	
	8735.75		2543.85	
Add: Transferred from FCCB Redemption reserve on redemption	-		1479.05	
Less: Proposed Dividend	620.08		186.02	
Less: Tax on proposed Dividend	126.23		37.87	
Less: Adjustment of carrying amount of assets	-		184.12	
		7989.44		3614.89
Total		9058.76		4684.21

2.3 Borrowings

	Non-current portion		Current maturities	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
A. Long-term Borrowings				
Secured				
Term Loans				
Indian Rupee Loans from Banks	7568.65	8393.02	1687.90	1699.30
External Commercial Borrowing from Banks	2343.59	2650.46	781.27	965.69
Hire Purchase Loans				
Banks	134.52	101.00	74.99	57.86
Others	67.01	216.42	162.13	274.70
Unsecured				
Loans & Advances from Related Parties				
Loans from Directors	3506.14	3548.21	-	-
Inter Corporate Deposits	4295.20	4250.40	-	-
Loans & Advances from Others				
Inter Corporate Deposits	-	918.00	-	45.13
	17915.11	20077.51	2706.29	3042.68
Amount disclosed under the head "Other Current Liabilities" (Note.2.4(B))			(2706.29)	(3042.68)
Total	17915.11	20077.51	-	-
B. Short-term Borrowings				
Secured				
From Banks				
- Working Capital Loan			6540.90	5824.16
Unsecured				
From Others - Inter Corporate Deposit			-	75.00
Total			6540.90	5899.16

Nature of security and terms of repayment for secured borrowings.

2.3.1 Term Loans of ₹ 957.31 Lacs & Working capital facilities of ₹ 3243.27 Lacs from Union Bank of India are secured by hypothecation of first charge on all immovable and movable properties including machineries, current assets such as inventories, book debts and other receivables of the company, both present and future besides personal properties of some of the directors and guarantee of the Directors (other than independent directors).

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

Rate of Interest	2016-17	2017-18	2018-19	2019-20
14%	250.00	571.43	135.88	-

- 2.3.2 a. Term Loan of ₹ 8299.24 lacs & Working capital facilities of ₹ 3297.63 lacs from Union Bank of India, Bank of India & Indian Overseas Bank under consortium are secured by a first charge ranking pari-passu mortgage over leasehold interests under the Land Lease Agreement and Equitable mortgage of Buildings along with the Plant & Machinery including current assets such as inventories, book debts and other receivables both present and future of the company besides personal guarantee of the Directors (other than independent directors) and their relative. Further 51% of the shares held by Pokarna Limited in the company are also pledged against the borrowing from the Banks.

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

Rate of Interest	2016-17	2017-18	2018-19	2019-20	2020-21
8% to 11%	1437.90	1623.23	1652.21	1652.21	1933.69

Corporate Debt Restructuring (CDR):

- b. Term Loans and Working Capital facilities restructured under Corporate Debt Restructuring ("CDR") mechanism vide approval letter dt. January 17, 2012 for a period up to January 01, 2021. The company has opted, during the year, to exit from the CDR mechanism and agreed to pay recompense amount of ₹ 1751.95 Lacs, which has been provided for in the books. The agreed terms of payment of recompense amount are a). upfront payment of ₹ 151.95 Lacs in cash and b). ₹ 1600 Lacs by way of non-convertible debentures with a coupon rate of 11% redeemable in three years. The exit from CDR mechanism is subject to approval by the competent authorities of respective banks and the CDR Empowered Group.
- 2.3.3 External Commercial Borrowings from Union Bank of India are secured by way of extension of charge on fixed assets of the company.

Maturity profile of External Commercial Borrowings from bank are as set out below:

	2016-17	2017-18	2018-19	2019-20
Six months Libor plus 350 bps	781.27	781.27	781.27	781.05

- 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).

2.4 Other Liabilities

	₹ In Lacs	
	March 31, 2016	March 31, 2015
A. Other Long-Term Liabilities		
Security Deposit	-	60.00
Interest accrued but not due on borrowings	-	2092.16
Total	-	2152.16
B. Other Current Liabilities		
Advance from Customers	726.38	637.80
Creditors for Capital Expenditure	956.32	53.82
Current Maturities of Long Term Borrowings (refer note.2.3(A))	2706.29	3042.68
Interest accrued but not due on borrowings	104.56	44.07
Statutory Liabilities	155.27	132.51
Unpaid Dividend	28.49	12.57
Other Payables	1039.33	829.17
Total	5716.64	4752.62

2.5 Provisions

	₹ In Lacs	
	March 31, 2016	March 31, 2015
A. Long-term Provisions		
Provision for Employee Benefits		
for Gratuity	148.04	75.13
for Compensated absences	69.19	44.16
Other Provisions		
Recompense payable to Banks (refer notes 2.3.2b)	1751.95	-
Total	1969.18	119.29
B. Short-term Provisions		
for Gratuity	44.24	13.77
for Compensated absences	68.24	55.42
for Warranties (refer notes 2.5.1)	283.78	111.00
for Income Tax	1388.47	1022.19
for Proposed Dividend	620.08	186.02
for tax on Proposed Dividend	126.23	37.87
Total	2531.04	1426.27

	₹ In Lacs			
Particulars	Opening Balance	Provision recognized	Provision utilized	Closing Balance
2.5.1 Provision for warranty	111.00	172.78	-	283.78

2.6 Trade Payables

	₹ In Lacs	
	March 31, 2016	March 31, 2015
Others (other than MSMED)	2426.40	3115.96
Total	2426.40	3115.96

2.7 Fixed Assets

Description	Gross Block			Depreciation			Net Block	
	As on April 1, 2015	Additions	Deletions / Adjustments	Upto March 31, 2015	For the Period	Deletions / Adjustments	As on March 31, 2016	Upto March 31, 2015
Tangible Assets:								
Land - Freehold *	509.39 (486.30)	4.66 (23.09)	-	-	-	-	-	509.39 (486.30)
Land - Leasehold**	1186.55 (1186.55)	-	-	276.05 (240.09)	35.96 (35.96)	-	312.01 (276.05)	910.50 (946.46)
Buildings	717.83 (730.98)	2.26	(13.15)	357.58 (53.44)	16.67 (304.14)	-	374.25 (357.58)	360.25 (677.54)
Factory & Quarry Buildings	6264.19 (6153.03)	102.23 (190.73)	(79.57)	1536.46 (1271.60)	213.29 (264.86)	-	1749.75 (1536.46)	4727.73 (4881.43)
Plant & Machinery	28111.36 (27759.15)	1375.12 (868.43)	52.08 (516.22)	11535.89 (10037.98)	1328.54 (1641.75)	29.13 (143.84)	12835.30 (11535.89)	16575.47 (17721.17)
Vehicles	813.87 (726.58)	103.27 (135.05)	3.00 (47.76)	421.27 (343.10)	74.71 (104.09)	1.69 (25.92)	494.29 (421.27)	392.60 (383.48)
Furniture & Fixtures	848.09 (884.21)	15.22 (19.19)	61.56 (55.31)	442.38 (354.55)	91.88 (107.33)	30.35 (19.50)	503.91 (442.38)	405.71 (529.66)
Office Equipment	430.98 (368.56)	101.44 (62.74)	2.18 (0.32)	256.46 (166.39)	65.96 (90.34)	1.92 (0.27)	320.50 (256.46)	174.52 (202.17)
Total -(A)	38882.26 (38295.36)	1704.20 (1299.23)	118.82 (712.33)	14826.09 (12467.15)	1827.01 (2548.47)	63.09 (189.53)	16590.01 (14826.09)	23877.63 (24056.17)
Intangible Assets:								
Trade Marks & Brand Names	382.80 (382.80)	-	-	382.80 (344.52)	-	-	382.80 (382.80)	-
Total - (B)	382.80 (382.80)	-	-	382.80 (344.52)	- (38.28)	- (38.28)	382.80 (382.80)	- (38.28)
Total - (A+B)	39265.06 (38678.16)	1704.20 (1299.23)	118.82 (712.33)	15208.89 (12811.67)	1827.01 (2586.74)	63.09 (189.53)	16972.81 (15208.89)	24056.17 (25866.49)

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

**2.7.2 - The lease hold land located at APSEZ, Achutapuram, Visakhapatnam for manufacturing of Engineered Stone / Quartz Surfaces etc., for a period of 33 years and is subject to further renewal of 33 years."

2.8 A. Deferred Tax Liabilities (Net)

	₹ In Lacs	
	March 31, 2016	March 31, 2015
Deferred Tax Liabilities		
Depreciation	271.61	256.89
	271.61	256.89
Deferred Tax Asset		
Carryover Losses		
Provision for Doubtful Debts	32.04	4.77
Others	93.55	-
	125.59	4.77
Deferred Tax Liabilities (Net)	146.02	252.12
B. Deferred Tax Asset (Net)		
Deferred Tax Asset		
Carryover Losses	780.81	1662.97
Provision for Doubtful Debts	24.86	34.02
Others	678.64	37.74
	1484.31	1734.73
Deferred Tax Liabilities		
Depreciation	1066.80	890.96
	1066.80	890.96
Deferred Tax Asset (Net)	417.51	843.77

2.9 Loans & Advances

	₹ In Lacs	
	March 31, 2016	March 31, 2015
A. Long-term Loans and Advances		
Unsecured, considered good		
Capital Advances	337.81	338.78
Security Deposit	488.42	438.98
Mat Credit entitlement	524.16	-
Other Advances	219.16	92.16
Total	1569.55	869.92
B. Short-term Loans and Advances		
Unsecured, considered good		
Cenvat Credit Receivable	32.15	39.49
Advance for Material	96.53	223.07
Advance Income Tax	7.90	100.92
Prepaid Expenses	252.21	133.60
Loans to Employees	0.68	0.90
Other Advances	329.50	337.80
Total	718.97	835.78

2.10 Other Assets

	₹ In Lacs	
	March 31, 2016	March 31, 2015
A. Other Non-current Assets		
Non-current Bank Balances		
Deposits with maturity for more than 12 months		
Margin Money deposits	266.51	53.90
Interest accrued on fixed deposits	7.72	7.40
Total	274.23	61.30
B. Other Current Assets		
Interest accrued on fixed deposits	34.27	21.99
Total	34.27	21.99

2.11 Inventories

	₹ In Lacs	
	March 31, 2016	March 31, 2015
Raw Material (includes in transit ₹ 32.75 Lacs (p.y. ₹ 91.07 Lacs))	1524.69	1240.05
Work-in-progress	611.94	903.45
Finished Goods	4905.24	4452.73
Traded Goods	78.13	35.46
Consumables, Stores & Spares (incl. in transit ₹ 3.45 Lacs (p.y. ₹ 6.16 Lacs))	1600.66	980.75
Packing Material (incl. in transit ₹ Nil Lacs (p.y. ₹ 0.77 Lacs))	138.01	105.78
Total	8858.67	7718.22

2.12 Trade Receivables

	₹ In Lacs	
	March 31, 2016	March 31, 2015
Unsecured		
Outstanding for a period exceeding six months		
Considered good	444.21	718.52
Doubtful	326.44	114.15
Other Receivables		
Considered good	7243.54	6210.80
	8014.19	7043.47
Provision for doubtful receivables	164.43	114.15
Total	7849.76	6929.32

2.13 Cash and Bank Balances

	₹ In Lacs			
	Non-current		Current	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Cash and Cash Equivalents				
Balances with Banks			540.81	671.46
Deposits - Margin Money with maturity less than three months			219.59	114.06
In unpaid Dividend Account			28.49	12.57
Cash in Hand			3.12	4.30
Other Bank Balances			792.01	802.39
Deposits - Margin Money with maturity for more 3 months but less than 12 months			526.15	400.44
with maturity for more than 12 months	266.51	53.90		
Amount disclosed under the head "Other Non-Current Assets" (Note.2.10(A))	(266.51)	(53.90)		
Total	-	-	1318.16	1202.83

2.14 Revenue from Operations

	₹ In Lacs	
	March 31, 2016	March 31, 2015
Sale of Products		
Finished Goods	39178.26	33032.09
Traded Goods	670.95	258.21
	39849.21	33290.30
Sale of Services	6.86	15.28
Other Operating Income		
Scrap Sales	43.34	63.95
Revenue from Operations (Gross)	39899.41	33369.53
Details of Products Sold		
Finished Goods		
Finished Granite	9892.92	12585.36
Raw Granite	8178.82	5841.28
Apparel	715.43	598.31
Quartz Surfaces	20391.09	14007.14
	39178.26	33032.09
Traded Goods		
Finished Granite	268.24	130.18
Raw Granite	261.25	-
Apparel	17.41	16.20
Fabric	124.05	111.83
	670.95	258.21
Total	39849.21	33290.30
Job work Charges	6.86	15.28
Total	6.86	15.28

2.15 Other Income

	₹ In Lacs	
	March 31, 2016	March 31, 2015
Interest income on		
Bank Deposits	55.73	48.73
Others	14.10	13.43
Commission Income	13.10	0.36
Foreign Exchange Gain	341.70	516.21
Miscellaneous Income	5.46	66.20
Provision for doubtful debts written back	28.27	10.47
Profit on Sale of Asset	-	0.08
Hire Charges Received	79.65	59.40
Total	538.01	714.88

2.16 Cost of Raw Material and Components consumed

	₹ In Lacs	
	March 31, 2016	March 31, 2015
Opening Stock	1270.48	1035.51
Add: Purchases	9266.48	8522.18
	10536.96	9557.69
Less: Closing Stock	1551.58	1270.48
Total	8985.38	8287.21
Details of Raw Material and Components consumed		
Raw Granite	2156.92	2964.52
Fabric	249.67	285.35
Quartz etc.,	6545.78	4992.47
Consumables	33.01	44.87
Total	8985.38	8287.21
Details of Inventory		
Raw Granite	461.05	684.56
Fabric	244.30	151.52
Quartz etc.,	819.33	403.97
Consumables	26.90	30.43
Total	1551.58	1270.48

2.17 Details of Purchase of Traded Goods

	₹ In Lacs	
	March 31, 2016	March 31, 2015
Finished Granite	180.55	87.31
Raw Granite	107.88	-
Apparel	24.81	(5.06)
Fabric	50.03	60.03
Total	363.27	142.28

2.18 (Increase) / Decrease in Inventories

	₹ In Lacs	
	March 31, 2016	March 31, 2015
Opening Stock		
Finished Goods	4000.23	4805.99
Work-in-Process	903.45	821.39
Raw Granite	452.50	329.51
Traded Goods	35.46	64.04
	5391.64	6020.93
Less: Closing Stock		
Finished Goods	4440.47	4000.23
Work-in-Process	611.94	903.45
Raw Granite	464.77	452.50
Traded Goods	78.13	35.46
	5595.31	5391.64
Total	(203.67)	629.29
Details of Inventory		
Raw Granite	5.39	-
Apparel	41.11	19.66
Fabric	31.63	15.80
Total	78.13	35.46
Work-In-Progress		
Finished Granite	74.59	144.71
Apparel	31.41	9.85
Quartz Surfaces	505.94	748.89
Total	611.94	903.45
Finished Goods		
Finished Granite	1427.88	1129.91
Raw Granite	464.77	452.50
Apparel	424.10	374.48
Quartz Surfaces	2588.49	2495.84
Total	4905.24	4452.73

2.19 Employee Benefits Expense

	₹ In Lacs	
	March 31, 2016	March 31, 2015
Salaries, Wages, Bonus & Allowances	3156.60	2749.16
Contribution to Provident Fund and Other Fund	174.64	159.03
Retirement Benefits	147.89	121.16
Staff Welfare Expenses	225.91	204.26
Total	3705.04	3233.61

2.20 Other Expenses

	₹ In Lacs	
	March 31, 2016	March 31, 2015
Consumption of Stores & Spares	3823.97	3540.45
Processing & Job work expenses	239.11	269.41
Power and Fuel	2210.72	2102.67
Repairs and Maintenance:-		
- Plant and Machinery	285.07	131.44
- Building	145.53	31.06
- Others	62.44	66.63
Cutter and Driller Charges	504.81	450.93
Royalty on Quarry Land	24.55	19.31
Rent	368.19	318.45
Rates and Taxes	54.68	51.43
Insurance	176.97	175.18
Communication Charges	63.43	53.34
Printing & Stationery	31.40	30.39
Travelling & Conveyance Expenses	217.39	241.67
Electricity Charges	70.50	50.88
Vehicle Maintenance	122.64	117.33
Auditors Remuneration	15.75	11.32
Advertisement	143.93	15.84
Legal and Professional Charges	248.19	113.10
Directors Sitting Fees	9.92	9.56
Commission to Non-Executive Directors	30.00	27.00
Donations	12.75	3.38
Corporate Social Responsibility Activity Expenses	9.63	5.65
Fees & Subscriptions	13.57	10.12
Government Royalty and Dead Rent	991.63	715.52
Carriage Outwards	1383.50	1784.11
Sales Commission	69.38	69.99
Discounts and Claims	184.53	62.77
Business Promotion Expenses	612.07	409.61
Packing Material	476.60	434.34
Provision for Doubtful Debts	78.54	100.11
Provision for Warranties	172.78	111.00
Excise Duty-Others	10.05	14.66
Sales Tax	117.63	187.03
Bank Charges	164.37	138.71
Foreign Exchange Loss	19.81	-
Loss of stock/assets due to cyclone	-	24.22
Impairment / Loss on sale of assets	43.54	43.49
Miscellaneous Expenses	57.21	44.03
Total	13266.78	11986.13

2.21 Depreciation & Amortization

	₹ In Lacs	
	March 31, 2016	March 31, 2015
Depreciation on tangible assets	1827.01	2269.54
Amortization on intangible assets	-	38.28
Total	1827.01	2307.82

2.22 Finance Costs

	₹ In Lacs	
	March 31, 2016	March 31, 2015
Interest on Borrowings:		
- Banks	2010.32	2134.53
- Others	1484.76	907.24
Interest on Taxes / Duties	183.81	48.12
Cost of variable coupon on restatement of FCCB	-	133.36
Total	3678.89	3223.25

2.23 Extra-ordinary Item - Income

During the year ₹ Nil - previous year, 2461 Zero coupon Foreign Currency Convertible Bonds were redeemed at a negotiated discount price, resulting in gain / benefit of ₹ 791.96 Lacs. This was disclosed separately as an Extra-Ordinary item in the financial statements in the previous year.

2.24 Exceptional Item - Expense

Subsidiary company has opted, during the year, to exit from the CDR mechanism and agreed to pay recompense amount of ₹ 1751.95 lacs to the respective banks, which has been provided for in the books and disclosed separately as an Exceptional Item - expense, in the financial statements (refer note no.2.3.2b).

2.25

Particulars	₹ In Lacs	
	March 31, 2016	March 31, 2015
1. Contingent Liabilities not provided for		
a. Letter of Credits outstanding	275.96	493.15
b. Bond-Cum-Legal Undertaking for Special Economic Zone Unit made in favour of President of India	4511.00	6250.00
c. Claims against the company / disputed liabilities not acknowledged as debts:		
i) Income tax matters, pending decisions on various appeals made by the company and by the Department. Amount deposited ₹ Nil Lacs (previous year ₹ 12.47 Lacs)	35.53	27.76
ii) Excise matters (including service tax). Amount deposited ₹ 5.57 Lacs (previous year ₹ 5.57 Lacs)	231.50	238.61
iii) Customs matters, Amount deposited ₹ Nil Lacs (previous year ₹ 37.09 Lacs)	75.91	75.91
iv) Sales tax matters, Amount deposited ₹ 2.69 Lacs (previous year ₹ 9.44 Lacs)	54.19	112.28
v) Mines & Geology matters	321.05	138.20
vi) Cross subsidy charges payable to Central Power Distribution Company	52.53	52.53
vii) Fuel Surcharge adjustment (FSA) claim to the extent billed by Power distribution Companies of TG	6.14	6.14
viii) In view of the amendment in The Payment of Bonus Act, 1965 notified on January 1, 2016, which was effective retrospectively from April 1, 2014, the company on the legal advice has decided not to consider it on account of the interim order dated April 26, 2016 of Hon'ble Andhra Pradesh High Court allowing stay on the amendment with retrospective effect till the time its constitutional validity is established.	72.03	-
ix) Other Matters disputed	143.72	159.18
x) The recompense amount payable in lieu of lenders sacrifice, under CDR proposal, as computed by the management.	-	2359.00
Other Commitments:		
xi) The company is also involved in other lawsuits, claims, investigations and proceedings, including patent and commercial matters, which arise in the ordinary course of business. However, there are no material claims on such cases.		
2. Capital Commitments		
Estimated Amount of contracts remaining to be executed on Capital Account not provided for	1210.84	1505.22

2.26 Financial and Derivative Instruments

	₹ In Lacs	
	March 31, 2016	March 31, 2015
Foreign currency exposure that are not hedged by derivative or forward contracts as on March 31, 2016	9855.09	8423.60

2.27 Deferred Tax

Particulars	₹ In Lacs	
	March 31, 2016	March 31, 2015
Deferred Tax Asset		
Depreciation	-	18.54
Others	734.46	37.73
Provision for Debtors	18.11	30.47
Total	752.57	86.74
Deferred Tax Liability		
Depreciation	190.57	-
Carryover Losses	882.16	267.26
Total	1072.73	267.26
Net Deferred Tax Liability	320.16	180.52

2.28 Related Party Disclosures :

As per Accounting Standard 18, the disclosures of transactions with the related parties are given below:

- (i) List of related parties where control exists and related parties with whom transactions have taken place and relationships:
- a) Names of the Associates:
Pokarna Fabrics Limited, Pokarna Fashions Limited, Pokarna Marketing Limited, Southend, Southend Extension
 - b) Enterprises over which key Managerial Personnel are able to exercise significant influence
Adam 'N' Eve
 - c) Names of Key Management Personnel
Gautam Chand Jain, Rahul Jain, Apurva Jain
 - d) Names of Relatives
Prakash Chand Jain, Ashok Chand Jain, Raaj Kumar Jain, Vidya Jain, Rekha Jain, Anju Jain, Ritu Jain, Chaya Jain, Pratik Jain, Neha Jain, Nidhi Jain, Suvindh Chordia, Gautam Chand Jain (HUF), Prakash Chand Jain (HUF), Ashok Chand Jain (HUF)

(ii) Transactions during the year with related parties :

Nature of the Transaction	Associates / other related parties	Key Management Personnel	Relatives	₹ In Lacs
				Total
Purchases				
Goods and Services, net	30.47	-	11.08	41.55
	(22.10)	-	(-9.41)	(12.69)
Sales				
Goods and Services, net	(75.57)	-	0.74	(74.83)
	(288.84)	-	(5.09)	(293.93)
Job Work	0.27	-	1.77	2.04
	-	-	(2.49)	(2.49)
Fixed Asset	-	-	-	-
	-	(1.24)	-	(1.24)
Expenses				
Remuneration	-	323.65	-	323.65
	-	(289.51)	-	(289.51)
Sitting fee & Commission	-	-	6.20	6.20
	-	-	(6.10)	(6.10)
Salaries	-	-	4.50	4.50
	-	-	-	-
Rent	31.45	4.71	92.92	129.08
	(31.02)	-	(15.78)	(46.80)
Interest	812.29	331.73	163.69	1307.71
	(424.55)	(52.31)	(76.66)	(553.52)
Loans & Advances and Rent Deposit				
Loan Received	-	-	-	-
	-	-	(495.00)	(495.00)
Loan Repaid	2073.40	108.89	144.00	2326.29
	-	(483.06)	(274.00)	(757.06)
Rent Deposit given	1.92	-	58.53	60.45
	-	-	-	-
Outstandings				
Receivables	28.52	-	-	28.52
	(341.58)	(1.24)	(44.44)	(387.26)
Payables	4337.70	2473.31	1208.86	8019.87
	(6337.50)	(2609.96)	(1267.73)	(10215.19)
Rent Deposit given	23.20	-	58.53	81.73
	(21.28)	-	-	(21.28)

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

S.No.	Particulars	Relationship	₹ In Lacs	
			2015-16	2014-15
1	Purchases			
	Goods & Services, net			
	Pokarna Fabrics Limited	Associate	20.18	15.53
	Pokarna Marketing Limited	Associate	2.30	4.19
	Pokarna Fashions Limited	Associate	7.95	2.38
	Southend Extension	Associate	0.04	-
	Neha Jain	Relative	11.08	(9.41)
2	Sales			
	Goods & Services, net			
	Pokarna Fashions Limited	Associate	(106.12)	260.80
	Pokarna Fabrics Limited	Associate	0.34	-
	Southend	Associate	0.47	9.30

			₹ In Lacs	
S. No.	Particulars	Relationship	2015-16	2014-15
	Southend Extension	Associate	(2.28)	18.74
	Prakash Chand Jain	Relative	-	1.19
	Pratik Jain	Relative	-	1.24
	Anju Jain	Relative	0.74	2.66
	Adam 'N' Eve	Related Party	32.02	-
	Job Work			
	Southend Extension	Associate	0.27	-
	Neha Jain	Relative	1.77	2.49
	Fixed Asset			
	Gautam Chand Jain	Key Management Personnel	-	1.24
3	Expenses			
	Remuneration			
	Gautam Chand Jain	Key Management Personnel	153.00	144.36
	Rahul Jain	Key Management Personnel	158.65	136.41
	Apurva Jain	Key Management Personnel	12.00	8.74
	Sitting Fee & Commission			
	Prakash Chand Jain	Relative	6.20	6.10
	Salary			
	Nidhi Jain	Relative	4.50	-
	Rent			
	Pokarna Fabrics Limited	Associate	31.45	31.02
	Gautam Chand Jain	Key Management Personnel	4.71	-
	Prakash Chand Jain	Relative	12.89	-
	Gautam Chand Jain (HUF)	Relative	16.14	-
	Prakash Chand Jain (HUF)	Relative	16.79	-
	Vidya Jain	Relative	8.18	-
	Ritu Jain	Relative	5.63	-
	Pratik Jain	Relative	7.18	-
	Rekha Jain	Relative	15.99	15.78
	Ashok Chand Jain (HUF)	Relative	5.41	-
	Anju Jain	Relative	4.71	-
	Interest			
	Pokarna Fabrics Limited	Associate	693.18	342.20
	Pokarna Marketing Limited	Associate	119.12	82.35
	Gautam Chand Jain	Key Management Personnel	204.09	47.84
	Rahul Jain	Key Management Personnel	127.63	4.47
	Prakash Chand Jain	Relative	163.69	76.66
4	Loans & Advances and Rent			
	Deposit			
	Loan Received			
	Prakash Chand Jain	Relative	-	495.00
	Loan Repaid			
	Pokarna Marketing Limited	Associate	377.75	-
	Pokarna Fabrics Limited	Associate	1695.65	-
	Gautam Chand Jain	Key Management Personnel	108.89	473.06

			₹ In Lacs	
S. No.	Particulars	Relationship	2015-16	2014-15
	Rahul Jain	Key Management Personnel	-	10.00
	Prakash Chand Jain	Relative	144.00	274.00
	Rent Deposit given			
	Pokarna Fabrics Limited	Associate	1.92	-
	Prakash Chand Jain	Relative	8.33	-
	Gautam Chand Jain (HUF)	Relative	16.44	-
	Prakash Chand Jain (HUF)	Relative	17.10	-
	Vidya Jain	Relative	8.33	-
	Pratik Jain	Relative	8.33	-
5	Oustandings			
	Receivables			
	Pokarna Fashions Limited	Associate	-	341.58
	Gautam Chand Jain	Key Management Personnel	-	1.24
	Prakash Chand Jain	Relative	-	1.19
	Raaj Kumar Jain	Relative	-	12.68
	Anju Jain	Relative	-	2.66
	Pratik Jain	Relative	-	1.24
	Suvidh Chordia	Relative	-	26.67
	Adam 'N' Eve	Related Party	28.52	-
	Payables			
	Pokarna Fabrics Limited	Associate	3471.90	5085.49
	Pokarna Fashions Limited	Associate	-	35.00
	Pokarna Marketing Limited	Associate	860.09	1213.32
	Southend Extension	Associate	5.71	3.66
	Southend	Associate	-	0.03
	Gautam Chand Jain	Key Management Personnel	1470.93	1587.68
	Rahul Jain	Key Management Personnel	998.31	1022.28
	Apurva Jain	Key Management Personnel	4.07	-
	Prakash Chand Jain	Relative	1160.95	1260.95
	Nidhi Jain	Relative	5.86	-
	Neha Jain	Relative	14.85	6.78
	Gautam Chand Jain (HUF)	Relative	7.39	-
	Prakash Chand Jain (HUF)	Relative	7.69	-
	Vidya Jain	Relative	3.75	-
	Ritu Jain	Relative	5.14	-
	Pratik Jain	Relative	3.23	-
	Rent Deposit given			
	Pokarna Fabrics Limited	Associate	23.20	21.28
	Prakash Chand Jain	Relative	8.33	-
	Gautam Chand Jain (HUF)	Relative	16.44	-
	Prakash Chand Jain (HUF)	Relative	17.10	-
	Vidya Jain	Relative	8.33	-
	Pratik Jain	Relative	8.33	-

2.29 Earnings Per Share (EPS)

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

Particulars	₹ In Lacs	
	31.03.2016	31.03.2015
Basic / Diluted Earnings Per Share		
Numerator for Basic earnings per share:		
Profit attributable to the Equity Share Holders	5120.86	3136.15
Denominator for Basic earnings per share:		
Basic / Weighted Average number of shares	6200800	6200800
Basic Earnings Per Share (in ₹)	82.58	50.58

2.30 Employee Benefits:

Particulars	₹ In Lacs	
	31.03.2016	31.03.2015
Defined Contribution Plan		
Employer's Contribution to Provident Fund	156.92	137.55
Defined Benefit Plan		

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

Particulars	Gratuity (Funded)		Compensated Absence (Unfunded)	
	Year Ended	Year Ended	Year Ended	Year Ended
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
a) Reconciliation of opening and closing balances of the present value of the Projected Benefit Obligation				
Projected Benefit Obligation				
at Beginning of year	290.11	219.08	49.92	30.29
Current service cost	45.02	50.96	46.17	37.32
Past Service Cost	-	-	-	-
Interest cost	22.07	18.12	3.65	2.17
Actuarial(Gain)/Loss	64.33	37.23	(16.40)	(7.46)
Benefits paid	(12.09)	(35.28)	(5.83)	(12.40)
Projected Benefit Obligation at year end	409.44	290.11	77.51	49.92
b) Reconciliation of opening and closing balances of Fair Value of plan assets				
Fair value of Plan asset at beginning of year	201.21	200.60	-	-
Adjustment of opening balance	-	-	-	-
Expected return on Plan Assets	17.08	17.31	-	-
Actuarial(Gain)/Loss	(0.13)	(0.12)	-	-
Employer Contribution	11.10	18.70	5.83	12.40
Benefits Paid	(12.09)	(35.28)	(5.83)	(12.40)
Fair value of Plan asset at year end	217.17	201.21	-	-
c) Reconciliation of fair value of assets and Obligation				
Fair value of Plan assets	217.17	201.21	-	-
Present value of Projected Benefit obligation	409.44	290.11	77.51	49.92
Amount recognized in Balance Sheet	(192.27)	(88.90)	(77.51)	(49.92)

₹ In Lacs

Particulars	Gratuity (Funded)		Compensated Absence (Unfunded)	
	Year Ended	Year Ended	Year Ended	Year Ended
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
d) Expenses recognized during the year Under the head "Personnel Costs"				
Current service cost	45.02	50.96	46.17	32.71
Interest cost	22.07	18.12	3.65	2.17
Past Service Cost	-	-	-	-
Expected return on Plan Assets	(17.08)	(17.31)	-	-
Actuarial(Gain)/Loss	64.46	37.35	(16.40)	(7.46)
Income(-)/Expenses(+) recognized in the statement of Profit & Loss	114.47	89.12	33.42	27.42

₹ In Lacs

Particulars	2006-08	2006-08	2006-08	2006-08
e) Actuarial Assumptions				
Mortality Table (L.I.C)	(Ultimate)	(Ultimate)	(Ultimate)	(Ultimate)
Discount rate (per annum)	7.77%	7.77%	7.77%	7.77%
Rate of escalation in salary (per annum)	7.88%	5.63%	5.63%	5.63%
Attrition Rate	8.00%	6.25%	6.25%	6.25%
Expected return on Plan assets - LIC	8.51%	9.00%	9.00%	-

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

g) The company expects to contribute ₹ 20.00 Lacs to its Gratuity plan for the next year.

2.31 Segment Reporting

Disclosure of segment reporting for the year 2015-16 (2014-15):

(a) Information about Primary Business Segments:

₹ In Lacs

Description	Granite	Apparel	Quartz Surfaces	Total
Sales to External Customers	18421.52	863.07	20147.68	39432.27
	(18317.39)	(744.95)	(13573.59)	(32635.93)
Inter Segment Sales	-	8.09	-	8.09
	-	(0.59)	-	(0.59)
Total Revenue	18421.52	871.16	20147.68	39440.36
	(18317.39)	(745.54)	(13573.59)	(32636.52)
Segment Results				
Profit / (Loss)	4603.97	(839.39)	8261.89	12026.47
	(4602.80)	(-1001.77)	(3163.44)	(6764.47)
Interest Expenses				3678.89
				(3223.25)
Income Tax				1474.77
				(1197.03)
Extra ordinary Items				-
				(791.96)
Exceptional Items				1751.95
				-
Profit After Tax				5120.86
				(3136.15)
Other Segment Information:				
Capital Expenditure	2192.51	93.30	867.98	3153.79
	(1540.34)	(12.97)	(58.22)	(1611.53)
Depreciation	655.65	332.22	839.14	1827.01
	(673.10)	(451.09)	(1183.63)	(2307.82)

Description	₹ In Lacs			
	Granite	Apparel	Quartz Surfaces	Total
Particulars of Segment Assets and Liabilities:				
Segment Assets	16308.05	3308.64	27307.44	46924.13
	(16434.37)	(3689.00)	(24929.10)	(45052.47)
Unallocated Assets	6115.88	-	-	6115.88
	(6115.88)	-	-	(6115.88)
Segment Liabilities	12708.51	1430.61	23106.17	37245.29
	(11114.98)	(4509.31)	(30229.41)	(45853.70)
Unallocated Liabilities	-	-	-	-
	-	-	-	-

(b) Information about Secondary Segments – Geographical

Revenue attributable to location of customers is as follows

Country	₹ In Lacs							
	March 31, 2016				March 31, 2015			
	Granite	Apparel	Quartz Surfaces	Total	Granite	Apparel	Quartz Surfaces	Total
U S A	4899.52	-	16082.33	20981.85	5696.54	-	9838.16	15534.70
Europe	1796.08	-	1177.20	2973.28	1951.63	-	732.20	2683.83
Asia	5659.54	-	-	5659.54	4067.20	-	985.72	5052.92
India	4336.40	871.16	869.46	6077.02	4401.75	745.54	1464.17	6611.46
Australia	-	-	-	-	43.58	-	1.68	45.26
Rest of the world	1729.98	-	2018.69	3748.67	2156.69	-	551.66	2708.35
Total	18421.52	871.16	20147.68	39440.36	18317.39	745.54	13573.59	32636.52

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

Notes:

- 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.
- 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.

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

As per our report attached

For and on behalf of Board of Directors

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

Gautam Chand Jain
Meka Yugandhar
Mahender Chand
Prakash Chand Jain
Rahul Jain
Dhanji Lakhamsi Sawla
M Viswanatha Reddy
Vinay Paruchuru

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

Shantilal Daga
Partner
Membership No. 11617

Place : Hyderabad
Date : May 30, 2016

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ATTENDANCE SLIP

Pokarna Limited

CIN :L14102TG1991PLC013299

Registered office: 105, First 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, EMAIL ID AND ADDRESS OF THE SHAREHOLDER

.....

I hereby record my presence at the **25th ANNUAL GENERAL MEETING** of the Company held on Friday, September 16, 2016, at 10.30 a.m., at Hotel Vivanta by Taj, 1-10-147 & 148, Opp: Hyderabad Public School, Begumpet, Hyderabad, Telangana, India - 500016

*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, First 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) residing at having e-mail id or failing him

2) residing at having e-mail id or failing him

3) residing at 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 25th Annual General Meeting of the Company, to be held on Friday, September 16, 2016, at 10.30 a.m., at Hotel Vivanta by Taj, 1-10-147 & 148, Opp: Hyderabad Public School, Begumpet, Hyderabad, Telangana, India - 500016 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:

Item. No.	Resolutions	For	Against
Ordinary Business			
1.	Adoption of Financial Statements		
2.	Declaration of Dividend		
3.	Appointment of a Director		
4.	Reappointment of Auditors		
Special Business			
5.	Appointment of Rahul Jain as the Managing Director		
6.	Ratification of Cost Auditors' Remuneration		
7.	Alteration of Articles of Association		

Signed this day of 2016.

 Signature of the Shareholder

 Signature of first Proxy holder

Affix Revenue Stamp

 Signature of second Proxy holder

 Signature of third Proxy holder

NOTES:

- 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.
- A Proxy need not be a member of the Company.
- 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.
- ** 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.
- Appointing a proxy does not prevent a member from attending the meeting in person if he/she so wishes.
- 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.



Regd Office: Pokarna Limited
105, First Floor, Surya Towers, SP Rd, Secunderabad 500 003, India
Tel: (91-40)2789-7722/6361. Fax: (91-40)2784-2121
E-mail: contact@pokarna.com
Web: www.pokarna.com
CIN: L14102TG1991PLC013299