



09<sup>th</sup> February, 2016

Department of Corporate Services  
Bombay Stock Exchange Limited  
Phiroze Jeejebhoy Towers  
Dalal Street  
Mumbai

Dear Sir,

Ref: Scrip no. 532486/Pokarna Limited

Sub: Corporate Presentation.

Please find the enclosed Q3 9M FY 16 results presentation.

This is for your record and dissemination.

Regards:

**For Pokarna Limited**

**Vinay Paruchuru**  
Company Secretary

## **Pokarna Limited**

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Factory Address: Unit 1: Survey No. 123, Toopranpet Village, Chautuppal Mandal, Nalgonda District – 508 252  
Telangana, India, T: +91 8694 – 200666

Unit 2: Survey No. 563, 568, 574, Aliabad Village, Shameerpet Mandal, Ranga Reddy District – 500 078  
Telangana, India, T: +91 98480 20242

CIN: L14102TG1991PLC013299

1991-2016

25

Celebrating  
25  
Years  
of Pokarna

# 9M FY16 RESULTS PRESENTATION

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February - 2016



**POKARNA LIMITED**  
India's No. 1 granite company

CIN: L14102TG1991PLC013299

# About us

## What we Do ?

- Pokarna Limited, headquartered in Secunderabad, is the largest exporter of finished granite in India with exports to 50+ countries (incl. Granite & Quartz Surfaces) predominantly US and Canada and also to countries in Europe and Middle East. The Company processes its granite at two state-of-the-art manufacturing facilities with raw material from own quarries as well as carefully identified independent quarries to ensure best quality.
- Pokarna also manufactures and sells apparels under the brand '**STANZA**' through its 9 retail shops.
- The Company, through its wholly owned subsidiary, Pokarna Engineered Stone Limited (PESL), manufactures natural quartz surfaces also known as 'engineered stone' or 'compound stone', using Breton technology and brilliantly engineered using the finest raw materials. The Company sells this stone under the brand '**Quantra**'.

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## **9M FY16**

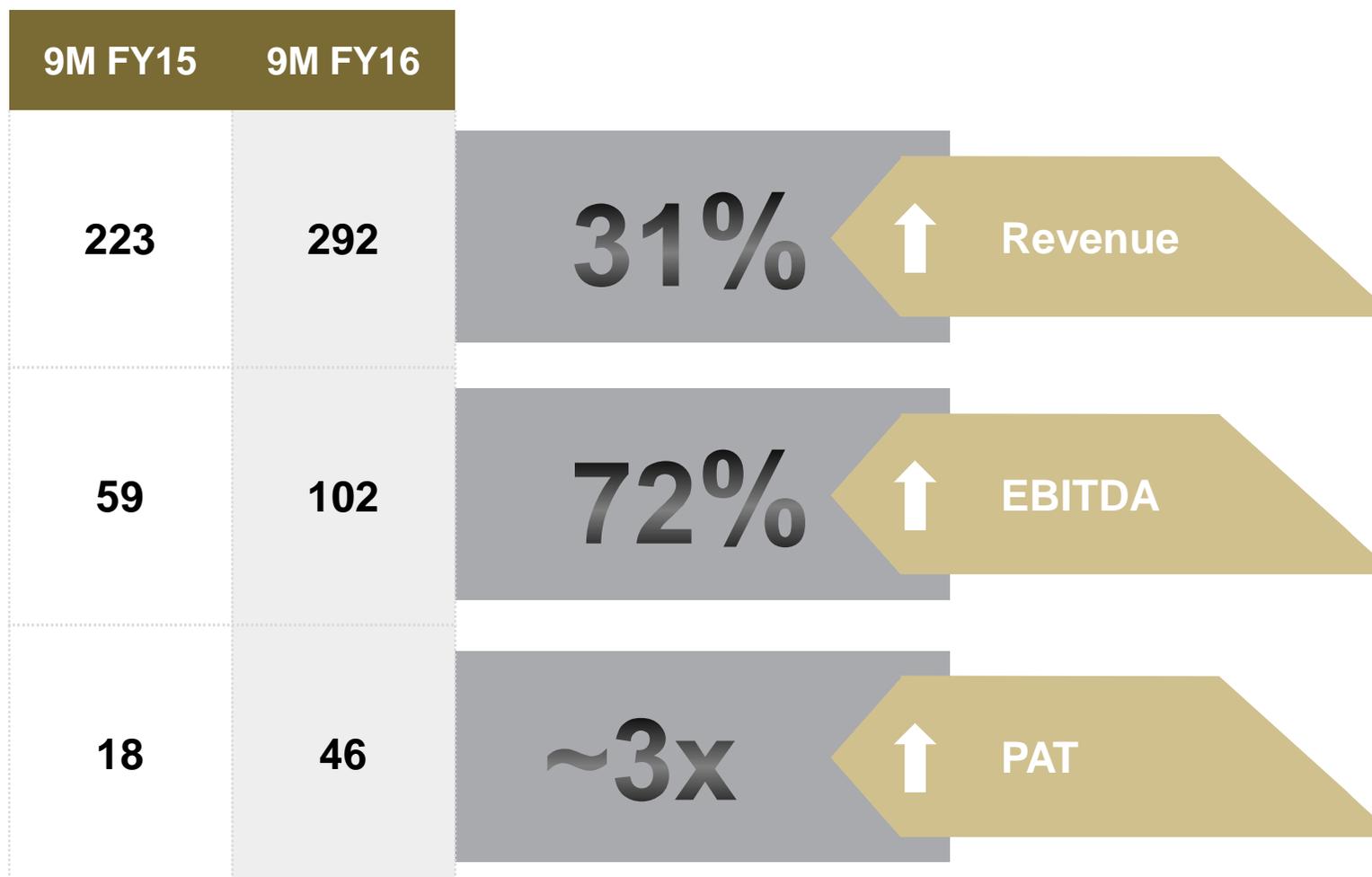
# **Consolidated Financial Performance**

**Commenting on the performance, Mr. Gautam Chand Jain, Chairman of Pokarna Limited Said:**

“We are pleased with the performance of our stone businesses especially quartz which continued to remain strong, driven by consistent demand across geographies. Further, our diversified and innovative product portfolio coupled with growing brand presence has helped us in negating significant currency headwinds.

Looking ahead, while demand for natural stone surfaces continues to remain steady, engineered stone is gaining traction and is emerging as a preferred choice for customers. Awareness of engineered stone surfaces is also gradually picking up in domestic market. We are hopeful that our efforts towards strengthening our distribution reach & increasing the brand visibility should help us better serve the demand”.

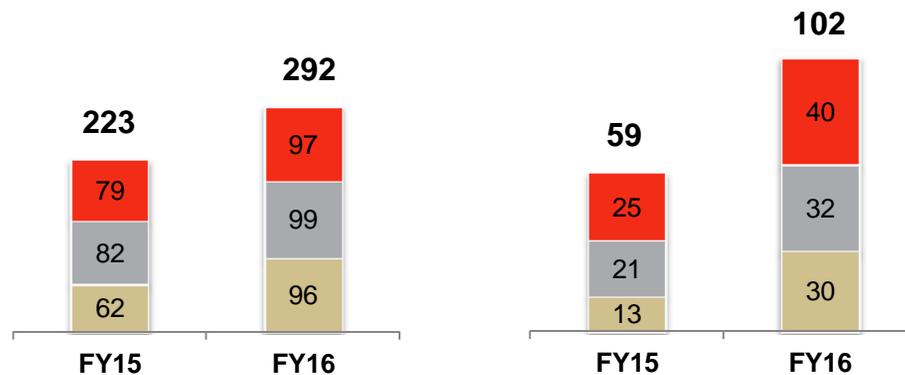
## Performance Highlights – 9M FY16



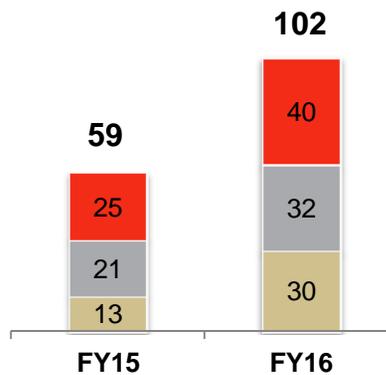
Figs. in Cr

# Financial Performance - Consolidated

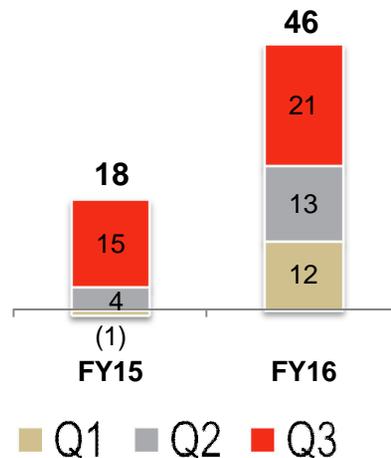
## Revenue



## EBITDA



## PAT



- Strong and steady demand, especially for engineered stone surfaces resulted in delivering revenue growth of 31%.
- Improved product mix on account of higher share of engineered stone surfaces, coupled with lower input prices helped delivered higher operating profitability; 9M FY16 EBITDA margins for Quartz stood at 44% against 32% .
- Solid revenue growth coupled with improved operational efficiencies resulted in higher profitability of Rs. 46 crore during 9M FY16.

# Segmental Performance



# Segmental Performance

Revenue	9M FY16	9M FY15	Shift %
Granite	137	132	4
Quartz Surfaces	149	85	75
Apparel	6	6	0



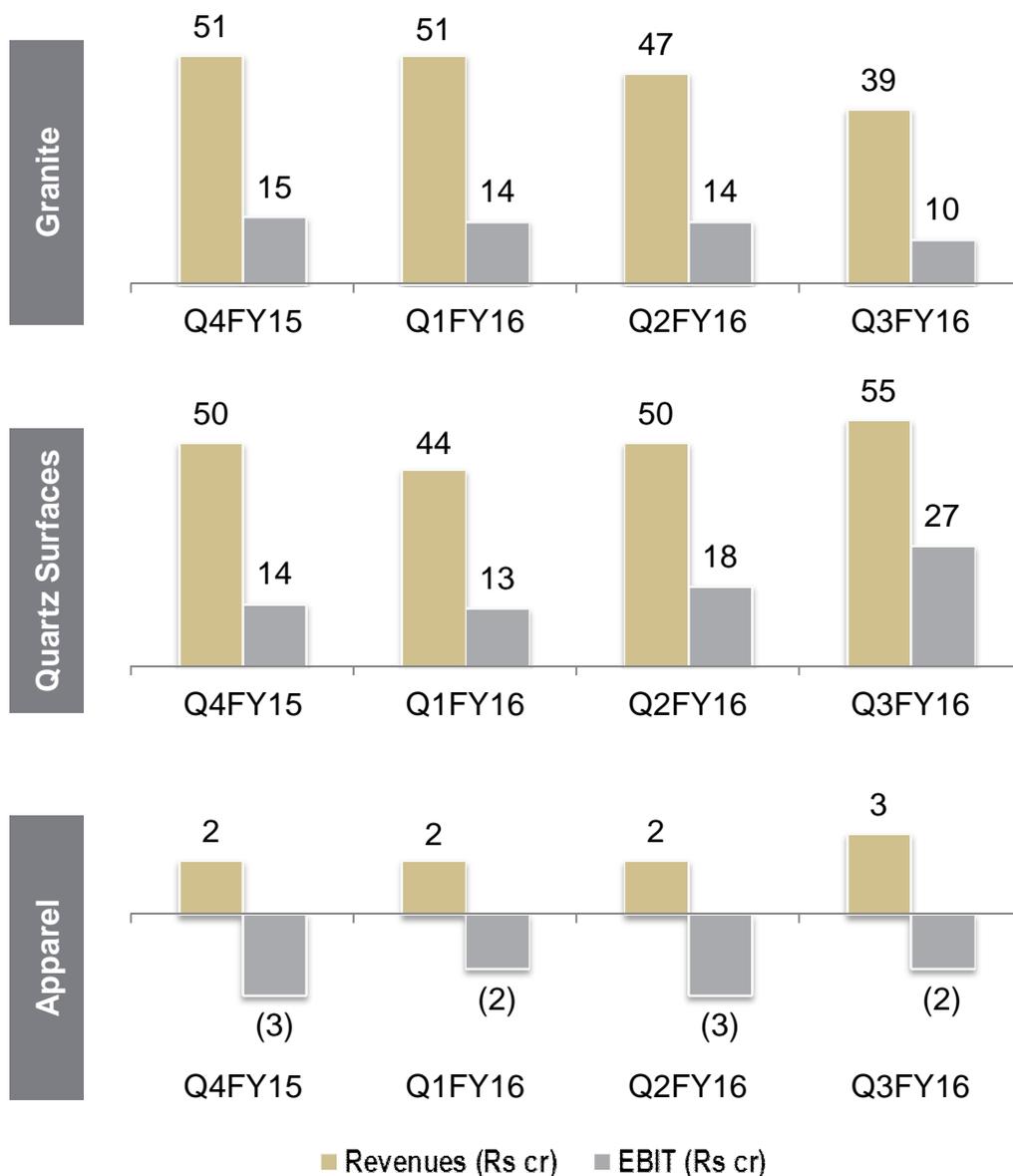
EBIT	9M FY16	9M FY15	Shift %
Granite	37	31	19
Quartz Surfaces	59	18	228
Apparel	(7)	(7)	0



Capital Employed	9M FY16	9M FY15	Shift %
Granite	93	80	16
Quartz Surfaces	194	171	13
Apparel	20	21	(5)



# Segmental Performance



*Increased competitive environment primarily due to depreciation of currency of competing nations & softening demand for granite blocks. Pokarna confident of maintaining competitive position on the back of captive quarries and strong distributor connect.*

*Introduction of new premium offerings, consistent demand for the product owing to growing awareness & higher utilization levels resulted in improved performance. EBIT Margins stood at 30.4% for the nine months under review.*

*Lower utilization levels coupled with higher operating costs resulting in muted performance.*

# Operational Highlights & Strategic Actions

## Operational Highlights – 9M FY 16

- **Upgradation of Quartz Surfaces moulding line –**
  - ❑ Quartz surfaces manufacturing facility is upgraded to manufacture Jumbo Slabs. Jumbo Slabs measure are much bigger than traditional slabs, and demand for them is growing, especially in the US market, as this size improves yield, facilitates color-matching and minimizes seams.
- **Quartz Surfaces receives KOSHER certification –**
  - ❑ Quantra receives Kosher certification from OU (Orthodox Union) - New York under Pareve designation.
  - ❑ Certification confirms product adherence to the highest quality of Kashrut supervision and allows the Kosher consumers to use Quantra in their kitchens.
- **Enhancing Brand building & awareness – PESL launches new website**
  - ❑ Pokarna Engineered Stone Limited (PESL) launches new and improved website <http://www.quantra.in>.
  - ❑ Equipped with new functions, the site has streamlined many features, making it more user friendly and offering comprehensive product details - colors, textures, new surfaces etc.
  - ❑ Revised website is amongst one of the many activities planned by the Company towards enhancing its brand image and better connect with its customers.

## Strategic Actions – FY 16

- **Build strong & innovative product pipeline**
- **Focus on Branding**
- **Strengthen R&D capabilities**
- **Further enhance distribution platform**
- **Improve operational efficiencies**

# Company Overview



# Granite

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

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

- **Diverse / Rich offerings** - Company's **color palette** includes over **75 varieties** of granite sourced from India, Ukraine, Madagascar and Norway.
- **Deep entrenched relationship** with dealers across key regions of operations.

## State-of-the-art Manufacturing Facilities

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



- **Factories:**

### Unit – I

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

### Unit - II

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

# Apparel

- **Launched in 2004**, Stanza focuses on premium product / lifestyle brand category for men & children.
- **Experienced Management / Promoters**
  - Largest distributor of Raymond Ltd.
- **Range of products include –**
  - Formal & Dress Shirts
  - Smart Casual & Sport Shirts
  - Fashion & Evening Shirts
- **Strong connect with customers –**
  - Premium product
  - Wide choices
- **Reach –**
  - 9 exclusive outlets
  - Other leading retail outlets



## Factory:

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 (PESL) – wholly owned subsidiary dedicated towards manufacturing Quartz surfaces.
- **Global Demand** – Products exported across **20+** countries.
- **Diverse Product offering** – Color Palette of 64+ with multiple shades of around 4500 and textures catering to best of every market across all spectrums.
- **Availability of abundant Raw material:** The States of Telangana and Andhra Pradesh are found to be home to some of the best quality quartz.
- In addition to OEM, distributed and supplied across the globe under the brand name “**Quantra® Natural Quartz Surfaces from Pokarna**”.

## State-of-the-art Manufacturing Facilities

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

### Factory:

Plot. No: 45, APSEZ, Achutapuram, Rambilli Mandal, Vishakapatnam District, A.P.

# Investor Contacts

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

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