



31.05.2016

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

Dear Sir,

Ref: Scrip no. 532486/Pokarna Limited

Sub: Financial results presentation.

Please find the enclosed FY 16 Financial results presentation.

This is for your record and dissemination.

Regards:

**For Pokarna Limited**

**Vinay Paruchuru**  
Company Secretary

## **Pokarna Limited**

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

CIN: U14102IC51991PIC 013799

1991-2016

25

Celebrating  
25  
Years  
of Pokarna

**FY16  
RESULTS  
PRESENTATION**

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May - 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 8 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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## Safe Harbour

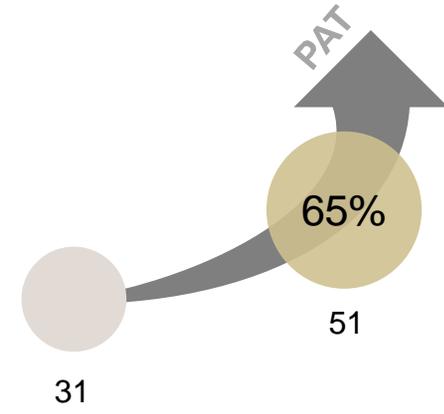
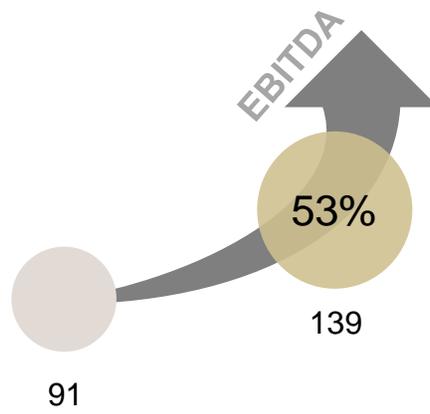
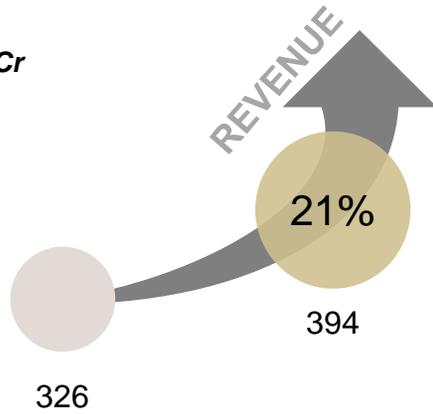
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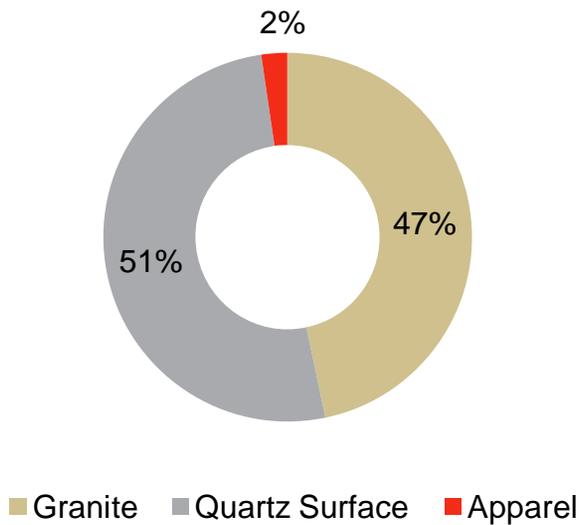
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# Performance Highlights – FY16

Figs. in Cr



## Revenue Breakup



Quartz Surface Revenue Growth

48%

Dividend Payout

100%

## Celebrating 25 years of Pokarna – 100% Dividend Payout

- In line with Company philosophy of rewarding its shareholders' and to celebrate 25 years of Pokarna Ltd the Board has recommended –
  - **Final dividend of Rs. 3/- per share (@ 30%) &**
  - **Special Silver Jubilee Dividend of Rs. 7.00 per share (@ 70%)**
  - **Total of Rs. 10/- per share (@ 100%) on Equity shares of the Company (face value of each share is Rs. 10/-) for the financial year ended March 31, 2016**
- Pokarna Ltd has always been committed towards enhancing its shareholders value and the Company's improving financials supports its initiatives of increasing shareholder returns



# FY16

## Consolidated Financial Performance

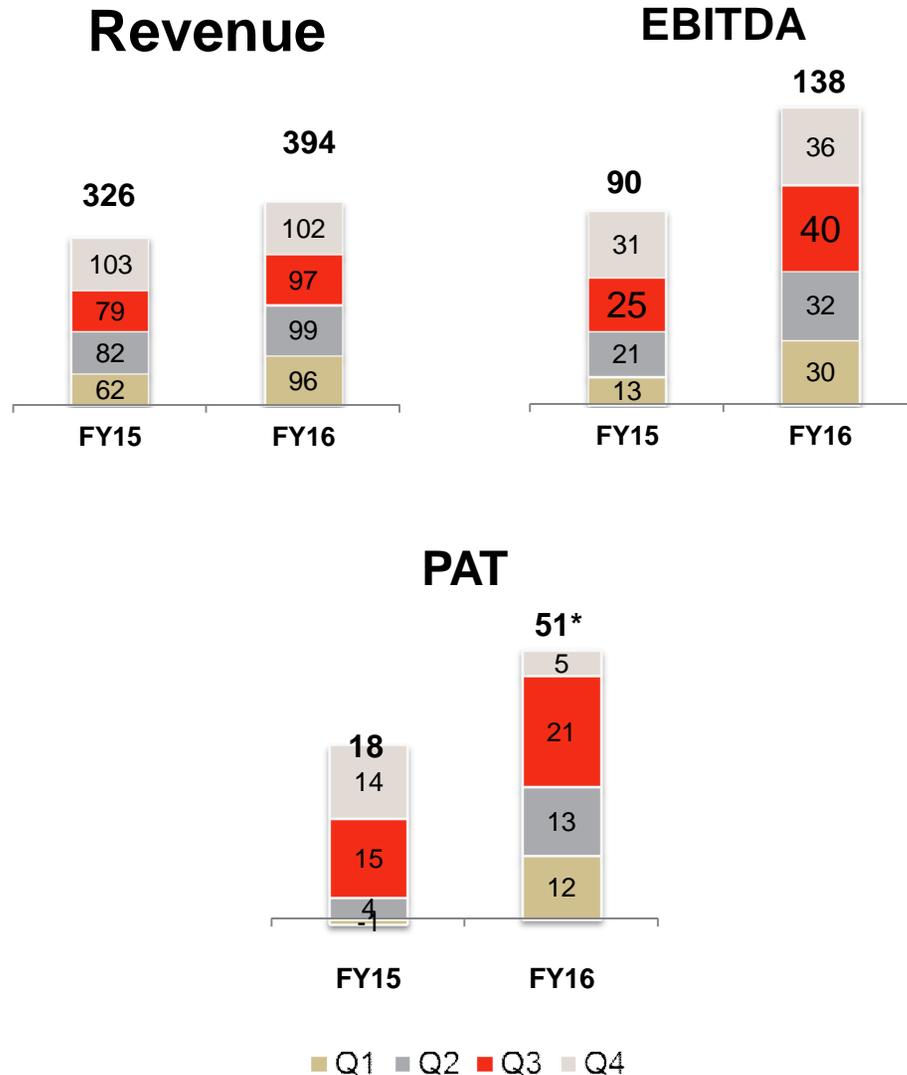
**Commenting on the performance, Mr. Gautam Chand Jain, Chairman of Pokarna Limited Said:**

*“We have ended the year on a strong footing on the back of yet another solid quarterly performance. Strong performance of our core stone businesses translated into improved cash flow & profitability for the year.*

*While our engineered stone business expanded at a brisk pace supported by a conducive demand environment; heightened competition and currency headwinds resulted in moderate expansion of granite business. However our focus on launching newer products, widening geographic footprint & enhancing brand visibility should help us overcome such challenges.*

*Looking ahead, we believe we are well placed to maintain the momentum in business as efforts towards improving product mix, brand connect and distribution reach should help us further fortify our business.”*

# Financial Performance - Consolidated



- Revenue growth of 41% for the year was primarily driven by better product mix, new products & strong performance of engineered stone business
- Operating profit expanded 53% on the back of higher efficiencies, lower input prices and greater share of engineered stone surfaces in overall mix
- Profit for the year grew 65% over previous year aided by strong revenue growth, moderating input prices and lower finance cost

\*Incl. Exceptional Item - PESL has opted to exit CDR mechanism and agreed to pay recompense amount of Rs, 18 cr,

# Segmental Performance



# Segmental Performance

Rs. Crore

Revenue	FY16	FY15	Shift %
Granite	184	183	0.55
Quartz Surfaces	201	136	47.79
Apparel	9	7	28.57



Rs. Crore

EBIT	FY16	FY15	Shift %
Granite	46	46	0
Quartz Surfaces	83	32	159
Apparel	(8)	(10)	(20)

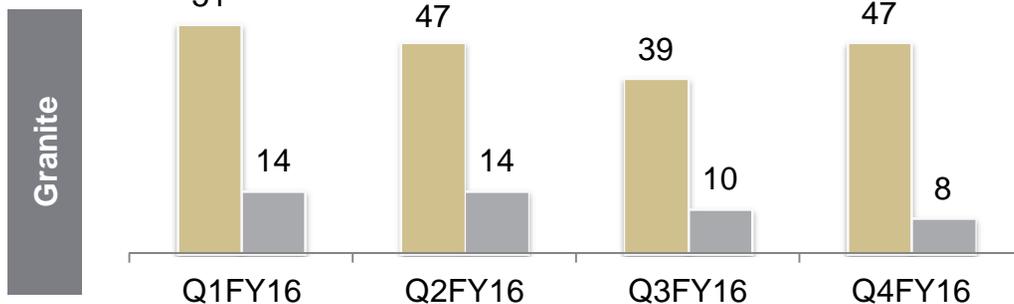


Rs. Crore

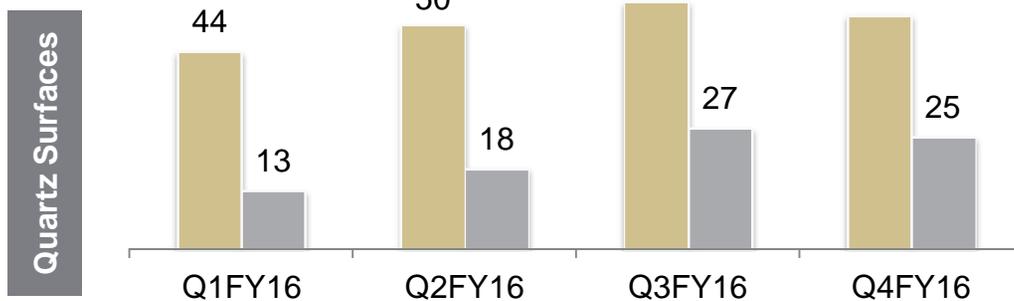
Capital Employed	FY16	FY15	Shift %
Granite	82	79	4
Quartz Surfaces	198	160	24
Apparel	22	21	5



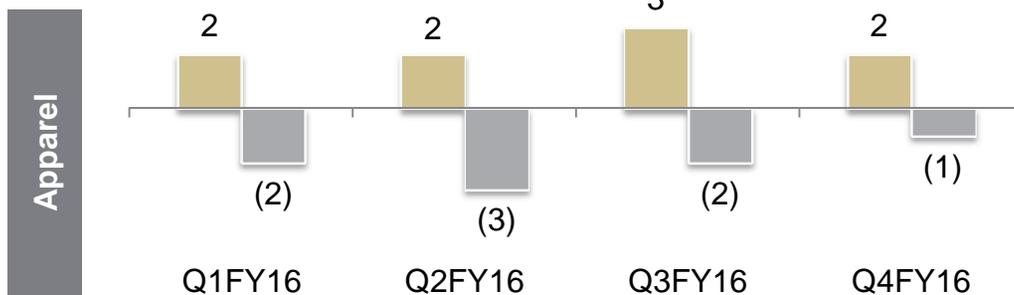
# Segmental Performance



*Heightened competition and currency headwinds impacted granite business' momentum during the year. Leveraging on its experience and strong brand connect, Pokarna is confident maintaining its competitive position*



*Continued traction amongst customers resulting in strong performance for the business. Better product mix, introduction of newer products and higher utilization level remained key growth drivers. EBITDA Margins for the year stood at 53%.*



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

■ Revenues (Rs cr) ■ EBIT (Rs cr)

# Operational Highlights & Strategic Actions FY 16

## ➤ **Reduction in Long term debt–**

- ❑ During the year Company had reduced its long term debt to an extent of Rs. 21.62 Crores, at a consolidated level.

## ➤ **Upgradation of Quartz Surfaces moulding line –**

- ❑ Quartz surfaces moulding line was 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 –**

- ❑ Quartz surfaces received Kosher certification from OU (Orthodox Union) .
- ❑ 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 – Launching of new website –**

- ❑ Pokarna Engineered Stone Limited (PESEL) launched new and improved website <http://www.quantra.in>.
- ❑ Equipped with new functions, the site had 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 enabling a better connect with its customers.

## FY17 – Priorities remain the same

Build strong & innovative product pipeline

Improve operational efficiencies

Focus on Branding

Widen reach and presence

# **PESL opts to exit CDR Mechanism**



## PESL opts to exit CDR Mechanism

- Pokarna Engineered Stone Limited (“PESL”) resorted to CDR mechanism in March 2012 due to adverse business scenario
- The company achieved turnaround in very short period of about 4 years and has opted for voluntarily 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 turnaround in the history of CDR mechanism
- The provision for recompense amount Rs. 1751.95 lacs has already been made in the financials of PESL for the financial year ended 2015 -2016. The agreed terms of payment of recompense amount are:
  - Upfront payment of Rs. 151.95 lacs
  - Rs.1,600 lacs by way of non-convertible debentures with a coupon rate of 11% redeemable in three years
- CDR exit will lead to greater operational and financial flexibility to PESL and it can go ahead with its growth plans.

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

*“We are thankful to our lenders for their continued faith in us. The CDR exit will lead to greater operational and financial flexibility for the organization. Upon CDR exit, we will begin the process of swapping costly rupee debt with cheaper foreign currency loans that will lower our interest cost, improve our cash flow, and strengthen the balance sheet”*

# 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 –**
  - 8 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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