



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

# Q4 & FY21

## Results Presentation

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**POKARNA LIMITED**

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# Financial Highlights

# Business and Financial Highlights FY21 – Consolidated

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**Commenced commercial operations** - New state-of –the-art quartz surfaces plant in Telangana. The new unit is equipped with a battery of multi-axis anthropomorphic robots to produce exotic natural looking as well as studio designs and is also powered by a whole new generation of fabrication equipment to ensure world-class quality with maximum speed and precision.

**Granite business** – Business environment continues to remains challenging; undertaking steps towards improving efficiencies and product mix

**Quartz business** – While demand momentum and visibility remains good (International and domestic); shipping side challenges persists

**Apparel business** – Efforts directed towards improving efficiencies and containing losses

**Integrated product offerings** – In addition to manufacturing quartz surfaces, PESL now offers measurement, fabrication and installation services to its end users in India.

PESL is also an exclusive partner of IKEA in India for measurement, supply and installation of made to measure quartz surface worktops in India

# Consolidated Financials Rs. In Cr

Particulars	FY21	FY20	%
Revenues	295	394	(25.1)
EBITDA*	88	136	(35.3)
<i>Margins (%)</i>	<i>30</i>	<i>35</i>	<i>(468 bps)</i>
Depreciation	21	23	(8.7)
Interest	21	22	(4.5)
PAT	28	71	(60.6)
<i>Margins (%)</i>	<i>10</i>	<i>18</i>	<i>(850 bps)</i>

\*Q4FY21 includes –

- One time inventory write-down of ~Rs. 5 crore on finished goods to cover risks arising from slow-moving items, discontinued products, excess inventories and net realizable value lower than cost.
- ~Rs.6 crore towards CSR expenses, included under the head “other expenses”.



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# Segmental Performance

# Segmental Performance

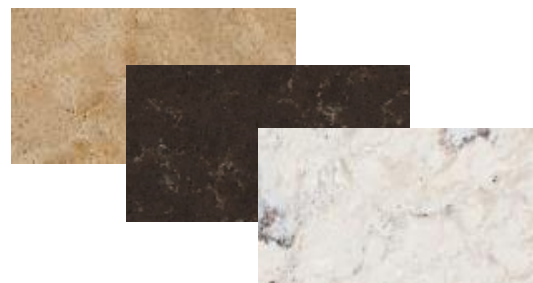
Rs. Crore

Revenue	FY21	FY20	Shift %
Granite	74	71	+4.2
Quartz Surfaces	219	317	(30.9)
Apparels	2	6	(66.7)



Rs. Crore

EBITDA	FY21	FY20	Shift %
Granite	17	10	70.0
Quartz Surfaces	73	126	(42.1)
Apparels	(1.98)	(0.17)	(10.0)

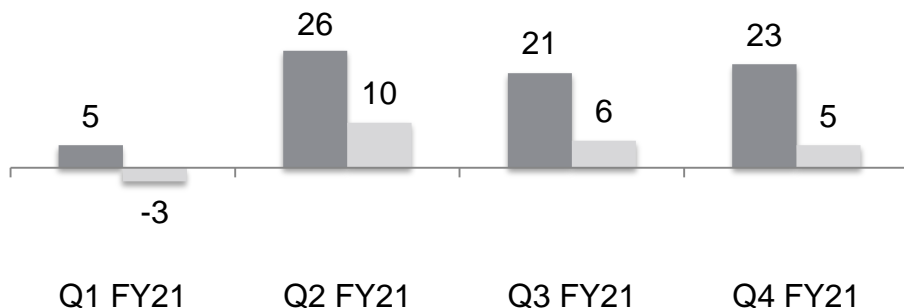


Rs. Crore

Capital Employed	FY21	FY20	Shift %
Granite	73	78	(5.41)
Quartz Surfaces	514	476	7.95
Apparels	14	16	(10.32)

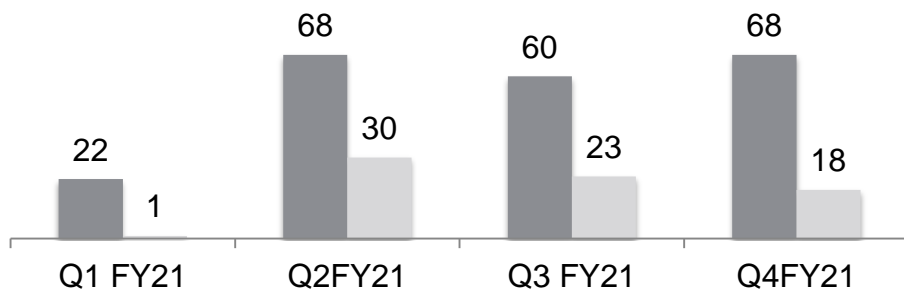
# Segmental Performance

Granite



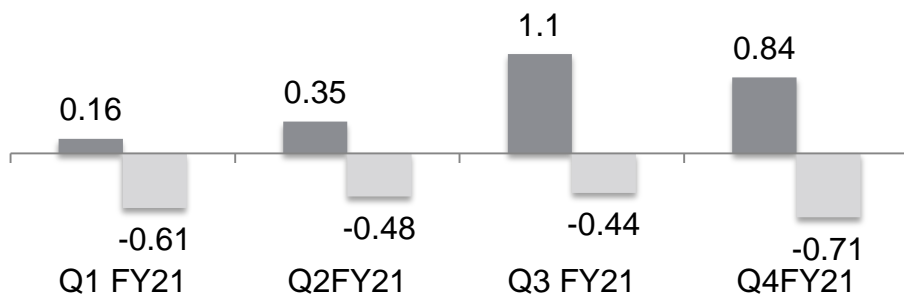
*Witnessed gradual recovery during the course of the year; business environment though continues to remain challenging. Focused on improving efficiencies and product mix*

Quartz Surfaces



*Demand momentum continues to remain strong. Witnessing positive response for products in domestic and International markets. Shipping side bottlenecks though continue to impact business performance. Q4 FY21 EBITDA includes one time inventory write down of Rs.5 crore*

Apparels



*Undertaking steps towards containing losses*





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# Key Developments

# Enhancing Brand visibility



*Periodic participation in International exhibition and Trade shows to amplify brand visibility and strengthen customer connect*

# Commissioning of new unit

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- PESL commenced commercial operations during March 2021 at its new state of the art, one of the largest, most modern and environment friendly quartz surfacing plants located at Telangana.
- The new facility is equipped with the most advanced Bretonstone technologies and is spread over 160,000 square meters and has a built-up area of approximately 60,000 square meters.
- It's a smart factory with several robots and other high levels of process automation for supporting a wide range of Industry 4.0 applications and state-of-the-art fabrication division equipped with disc and waterjet cutting machines, CNC stoneworking centers, edge polishers and other machines for ensuring maximum speed and precision in fabrication
- When fully operational, it will more than double our production capacity and will be used mainly for the production of super jumbo size 347 x 201 cm and jumbo size 330 x 165 cm slabs.
- The unit will help PESL meet the growing requirements of its customers located across North America, Europe, Middle East and India

# FY22 – Key Priorities

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Build strong & innovative product pipeline

Improve operational efficiencies

Focus on branding

Widen reach and presence



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**Going Forward**

# Going Forward

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## Quartz

- Capacity ramp up at new unit will be implemented in a phased manner over next 12-18 months.
- Expertise, cutting-edge technology, continuous research, design and development efforts to contribute to continued excellence in long-term.
- Positive industry dynamics in the US market.

## Granite

- Focusing on improving product mix by increasing share of margin accretive 'customized – cut to size' products
- Working towards improving efficiencies
- Undertake cost rationalization measures

## Apparels

- Focusing on containing costs and limiting losses



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# Key Strengths & Capabilities

# Key Strengths & Capabilities

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## Quartz

- Experienced leadership team with significant tenure and track record.
- State of art production facilities and continued focus on R&D
- Comprehensively serving through private label products and Quantra brand
- Laser-focused on operational excellence
- Focused in key niches in the US market with clear roadmap to healthy margins.

## Granite

- Vertically integrated with captive quarries and state of the art mining and processing infrastructure
- Broad, diverse presence by geography, for last 25 years
- Experienced management team.





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# Company Overview

# Business Overview

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Years of Experience



State of the art Granite  
Mfg. units in Telangana



State of the art Quartz  
Mfg. units in Telangana  
and Andhra Pradesh



State of the art Apparel  
Mfg. unit in Telangana



Captive Quarries located in  
Andhara Pradesh,  
Telangana and Tamil Nadu



Countries of Presence

# 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	Cream Cashmere
Sapphire Brown		

- **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), Yadadri Bhuvanagiri (District), Telangana.

### Unit - II

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

# Quartz Surfaces

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- Pokarna Engineered Stone Limited (PESL) – wholly owned subsidiary of Pokarna Ltd., is India's largest manufacturer and exporter of quartz surfaces.
- Global Demand – Products exported across various geographies.
- Diverse Product offering – Color Palette of 80+ 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 raw material.
- In addition to private label manufacturing, distributed and supplied across the globe under the brand name Quantra®.

## State-of-the-art Manufacturing Facilities

- Two state-of-the-art Manufacturing units
- Best in business technology - Bretonstone® System of Breton S.p.A, Italy. Pokarna is the only Company to use this technology in India.

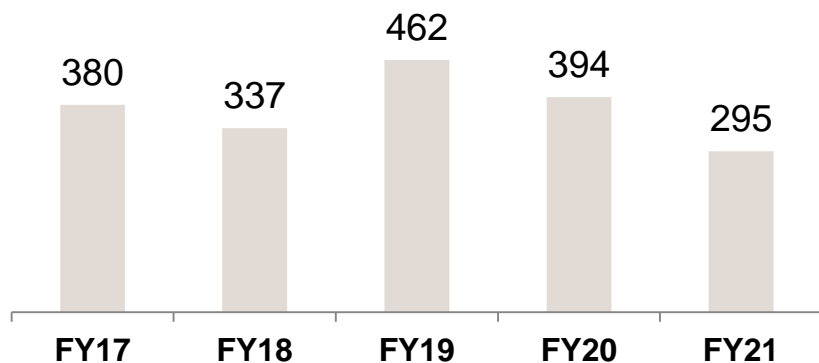
### Factory:

Unit I: Plot. No: 45, APSEZ, Achutapuram, Rambilli Mandal, Vishakapatnam District, Andhra Pradesh.

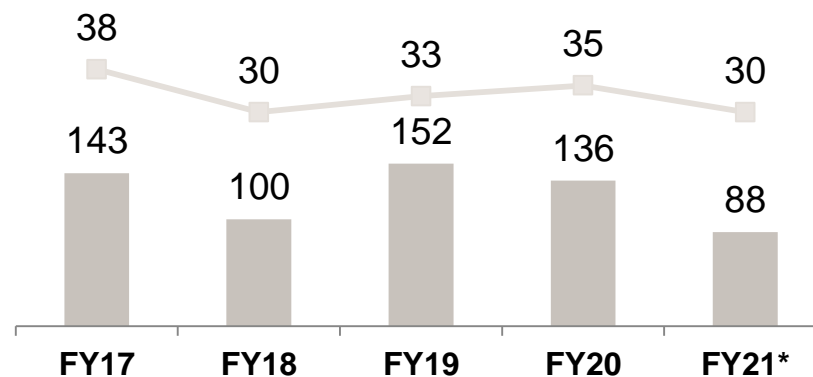
Unit II: Survey No.901-902,908-912, Mekaguda Grampanchayat, Nandigam Mandal, Ranga Reddy, Telangana

# Financial Performance

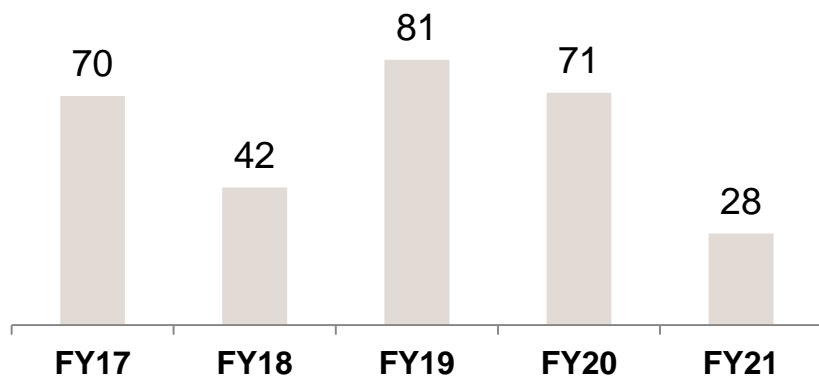
## Revenues (Rs.cr)



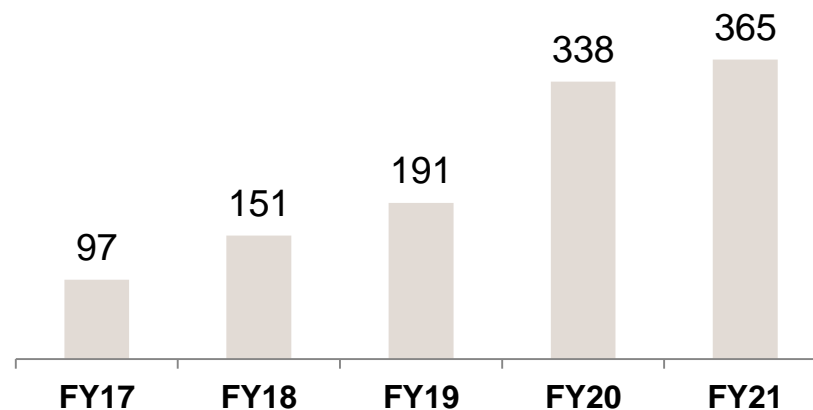
## EBITDA (Rs.cr) Margins (%)



## PAT (Rs.cr)



## Networth (Rs.cr)



\* Q4FY21 includes –

- One time inventory write-down of ~Rs. 5 crore on finished goods to cover risks arising from slow-moving items, discontinued products, excess inventories and net realizable value lower than cost.
- ~Rs.6 crore towards CSR expenses, included under the head “other expenses”.

# Investor Contacts

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