



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

# Q2 FY22

## Results Presentation

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**POKARNA LIMITED**

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# Financial Highlights

# Business and Financial Highlights Q2 FY22– Consolidated

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## **Q2 FY22 Performance**

Quartz business continues to perform well; revenue growth of 98% over Q2FY21

Demand momentum for Quartz products remains strong; logistical hurdles continue to persist

Performance of Granite and Apparel business remains soft

**Granite business** – Operating environment remains challenging; focused on preserving profitability over growth

**Quartz business** – Strong demand continues to drive revenue momentum – positive response for new products; supply side challenges – container unavailability & freight cost weighing in on profitability

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

Efforts directed towards ramping up operations at New Quartz Unit.

# Consolidated Financials Rs. In Cr

Particulars	Q2FY22	Q2FY21	%
Revenues	148	94	58%
EBITDA	45	40	15%
<b>Margins (%)</b>	<b>30.64</b>	<b>42.17</b>	<b>-28%</b>
Depreciation	9	5	77%
Interest	10	5	81%
PAT	20	21	-2%
<b>Margins (%)</b>	<b>13.74</b>	<b>22.3</b>	<b>-40%</b>



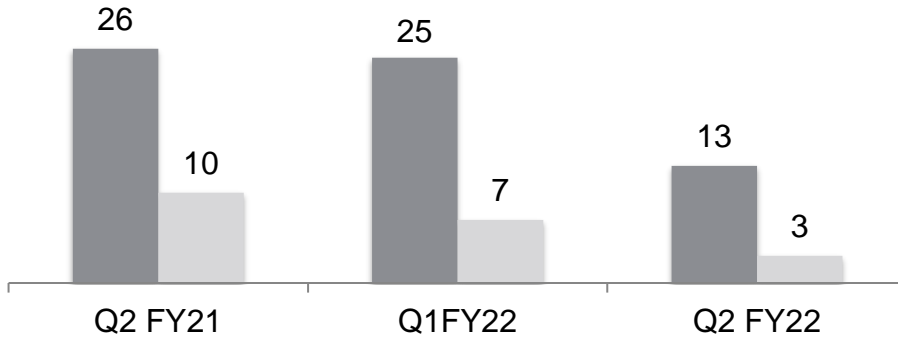
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# Segmental Performance

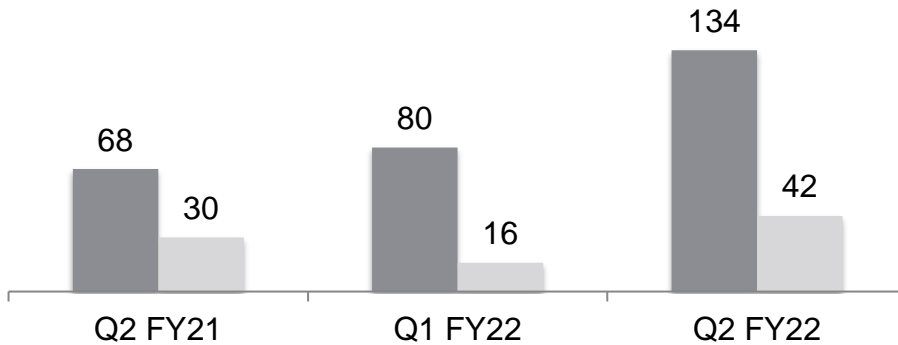
# Segmental Performance

Granite



*Business environment remains challenging. Prioritizing profitability over growth. Margins for the quarter stood at 26%.*

Quartz Surfaces



*Demand momentum remains strong. Heartened by positive response to the newly introduced products. Supply side challenges though namely container unavailability and higher freight rates continue to impact business' profitability.*

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*

# Way Forward

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Focus on improving capacity utilization at new quartz unit

Supply chain disruptions, port congestion, container unavailability and rising shipping costs continue to pose a challenge. Exports to the East coast though have smoothed to an extent

COVID-19 disruption remain a major uncertainty



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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 on 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 30 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  
Andhra 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
Coral Gold		

- **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.

### Factory:

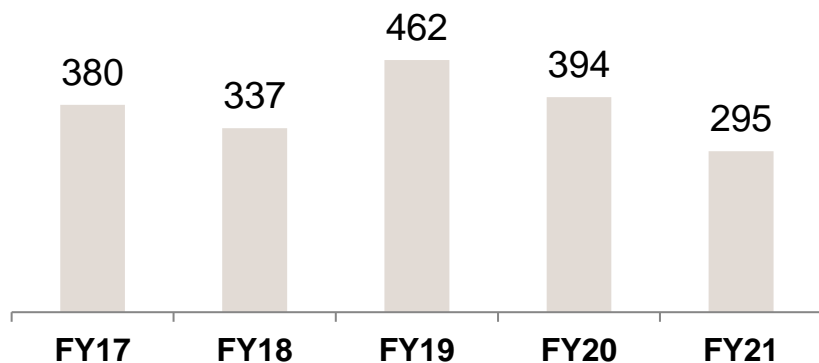
Unit I: Plot. No: 45, APSEZ, Achutapuram, Rambilli Mandal, Vishakapatnam District, Andhra Pradesh.

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

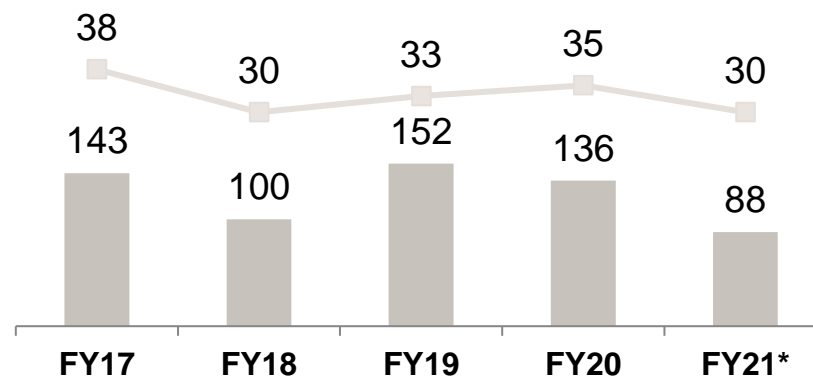


# Financial Performance

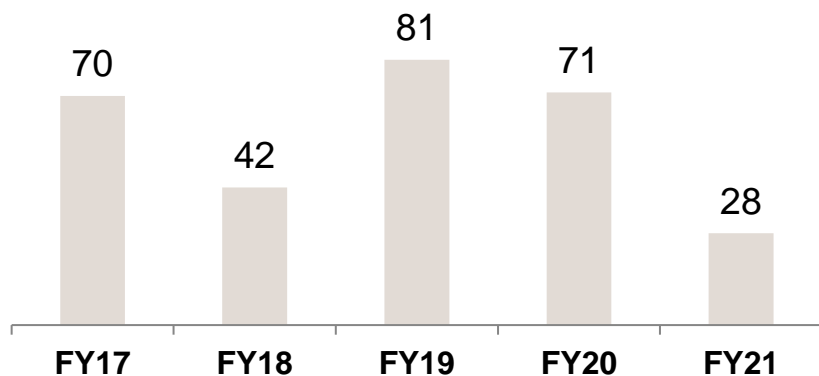
## Revenues (Rs.cr)



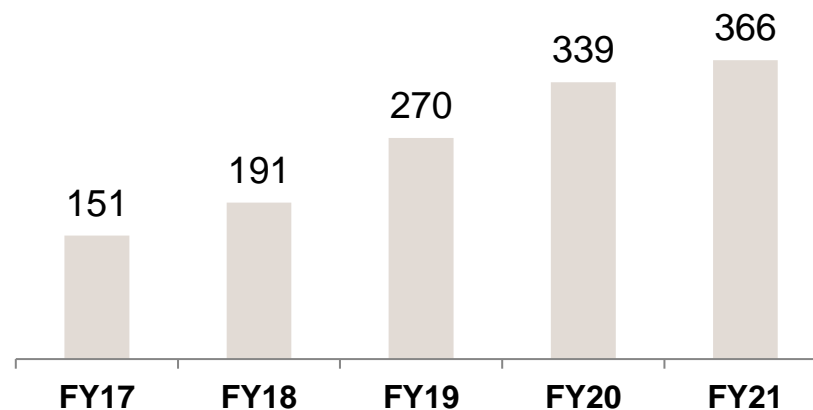
## EBITDA (Rs.cr) Margins (%)



## 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

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

M.Viswanatha Reddy

**Pokarna Limited**

105, 1<sup>st</sup> Floor, Surya Towers, S. P. Road,

Secunderabad, Telangana – 500003

Tel: +91 40 2784 4101 / 2784 2182

Fax: +91 40 2784 2121

E-mail: [companysecretary@pokarna.com](mailto:companysecretary@pokarna.com)

Gavin Desa / Suraj Digawalekar

**CDR India**

Tel: +91 22 6645 1237 / 1219

Fax: +91 22 6645 1213

E-mail: [gavin@cdr-india.com](mailto:gavin@cdr-india.com)

[suraj@cdr-india.com](mailto:suraj@cdr-india.com)

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BSE : 532486 NSE: POKARNA  
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