



07th November, 2016

Department of Corporate Services,
Bombay Stock Exchange Limited,
Phiroze Jeebhoy Towers,
Dalal Street,
Mumbai – 400001.

Listing Department,
National Stock Exchange of India Ltd,
Exchange Plaza,
Bandra Kurla Complex, Bandra (East),
Mumbai – 400051.

Dear Sir,

Ref: Scrip no / Symbol. 532486 / Pokarna

Sub: Financial results presentation.

Please find the enclosed Q2 & H1 FY17 Results Presentation.

This is for your record and dissemination.

Regards:

For Pokarna Limited

Vinay Paruchuru
Company Secretary

Pokarna Limited

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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



Q2 & H1 FY17 Results Presentation

About us

What We Do ?

- Pokarna Limited, headquartered in Secunderabad, is the leading exporter of finished granite and largest exporter of Quartz surfaces in India. It exports to 50+ countries, predominantly US and Canada and also to countries in Europe and the 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.
- 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. PESL markets its engineered stone surfaces under the brand '**Quantra**'.
- Pokarna also manufactures and sells apparels under the brand '**STANZA**' through its 8 retail shops.

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Safe Harbour

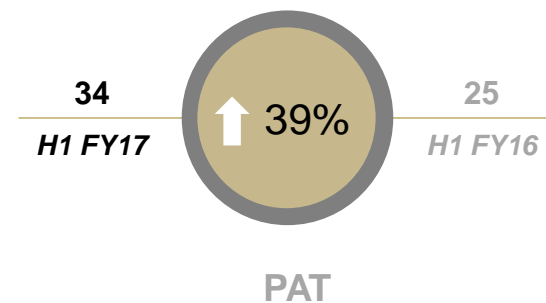
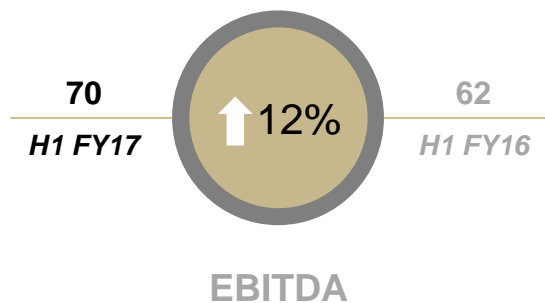
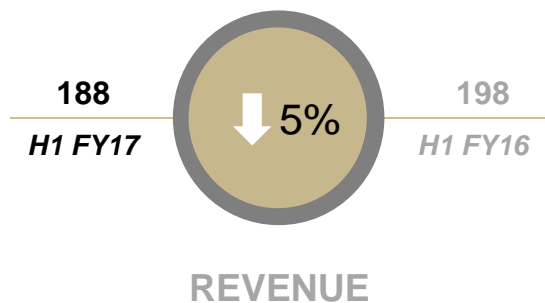
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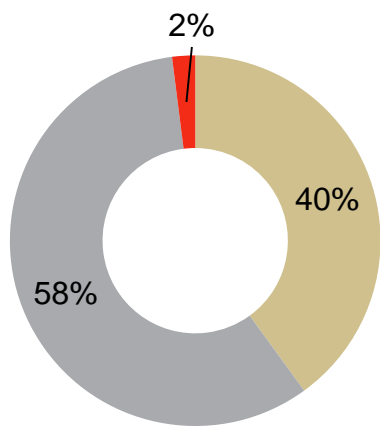
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Performance Highlights – CFS - H1 FY17

Figs. in Cr



Revenue Breakup



■ Granite ■ Quartz Surface ■ Apparel

Quartz Surface Revenue Growth

12%

Financial Performance - Consolidated

- Revenue de-growth of 5% during H1 FY17, primarily on account of lower revenue generation from Granite business.
- EBITDA for H1 FY17 stood at Rs. 70 crore, higher by 12%; owing to better product mix and lower input costs in Quartz surfaces business.
- PAT for the first half stood at Rs. 34 crore, higher by 39%; driven by better operational performance and lower interest expense.

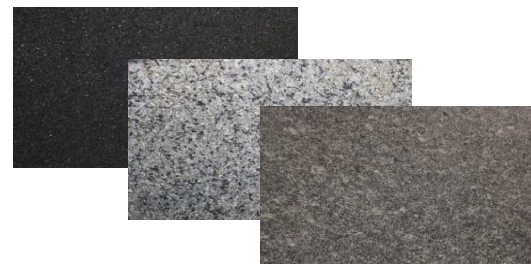
Segmental Performance



Segmental Performance

Rs. Crore

Revenue	H1FY17	H1FY16	Shift %
Granite	75	99	(24)
Quartz Surfaces	108	96	12
Apparel	4	3	34



Rs. Crore

EBIT	H1FY17	H1FY16	Shift %
Granite	16	29	(44)
Quartz Surfaces	47	31	52
Apparel	(4)	(5)	-



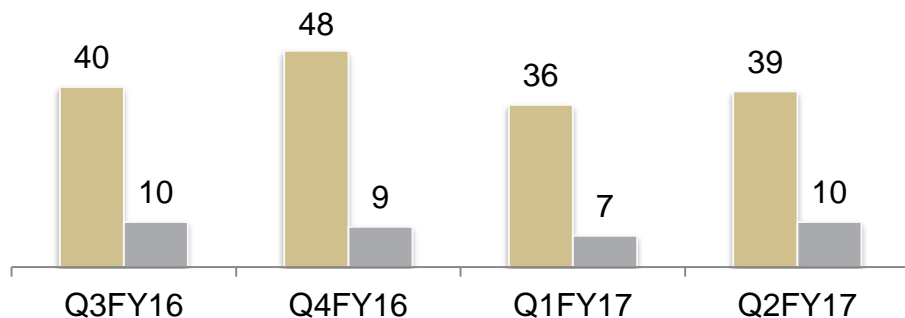
Rs. Crore

Capital Employed	H1FY17	H1FY16	Shift %
Granite	85	80	7
Quartz Surfaces	216	185	17
Apparel	21	20	1



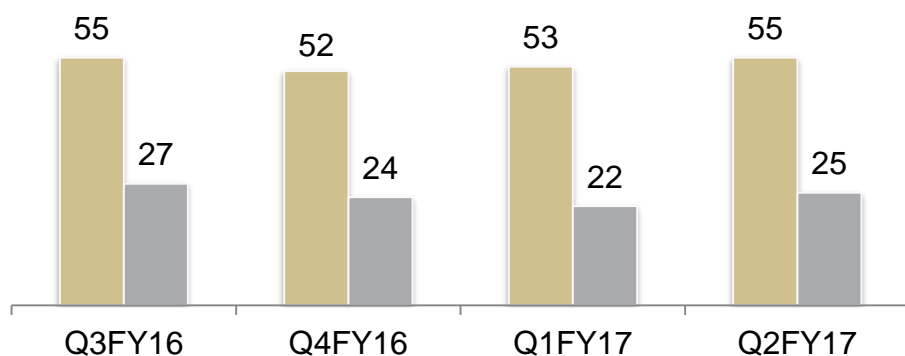
Segmental Performance

Granite



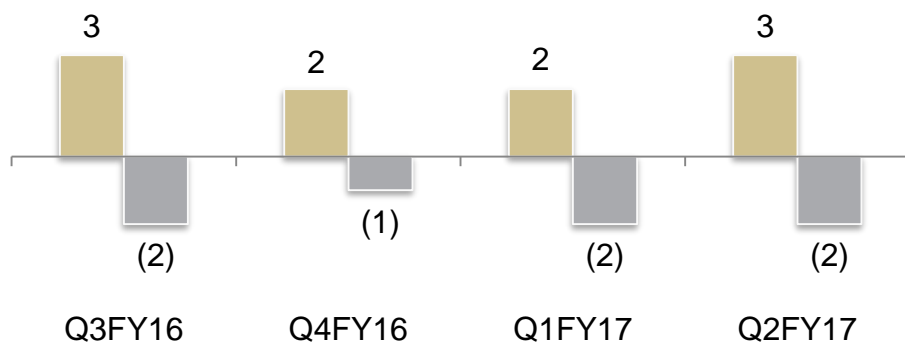
Although the performance of the business continued to remain modest during the first half, easing of competitive intensity should help in delivering improved performance during the second half of the year.

Quartz Surfaces



Quartz business performance continues to remain strong owing to steady and consistent demand for the product across geographies. Efforts towards improving product mix and increasing utilisation level should help in maintaining growth momentum. EBITDA margin for the business during H1 stood at 48 %.

Apparel

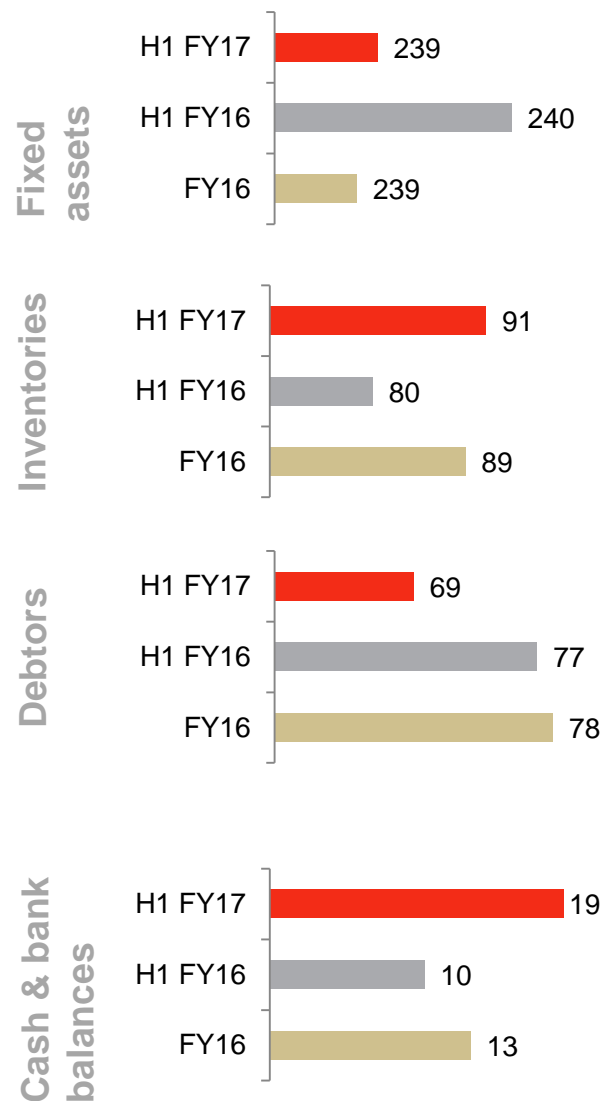
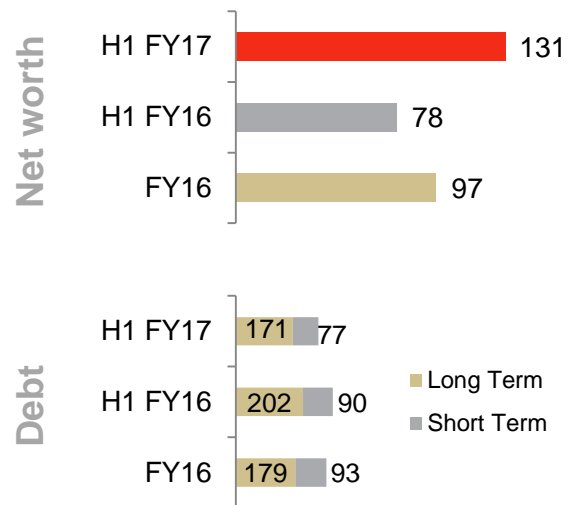


Lower utilization levels along with higher operating costs resulting in muted performance.

■ Revenues (Rs cr) ■ EBIT (Rs cr)

Balance Sheet (Overview) – CFS - Rs. Cr

Liabilities



Assets

FY17 – Priorities remain the same

Build strong & innovative product pipeline

Improve operational efficiencies

Focus on branding

Widen reach and presence

Recent Developments

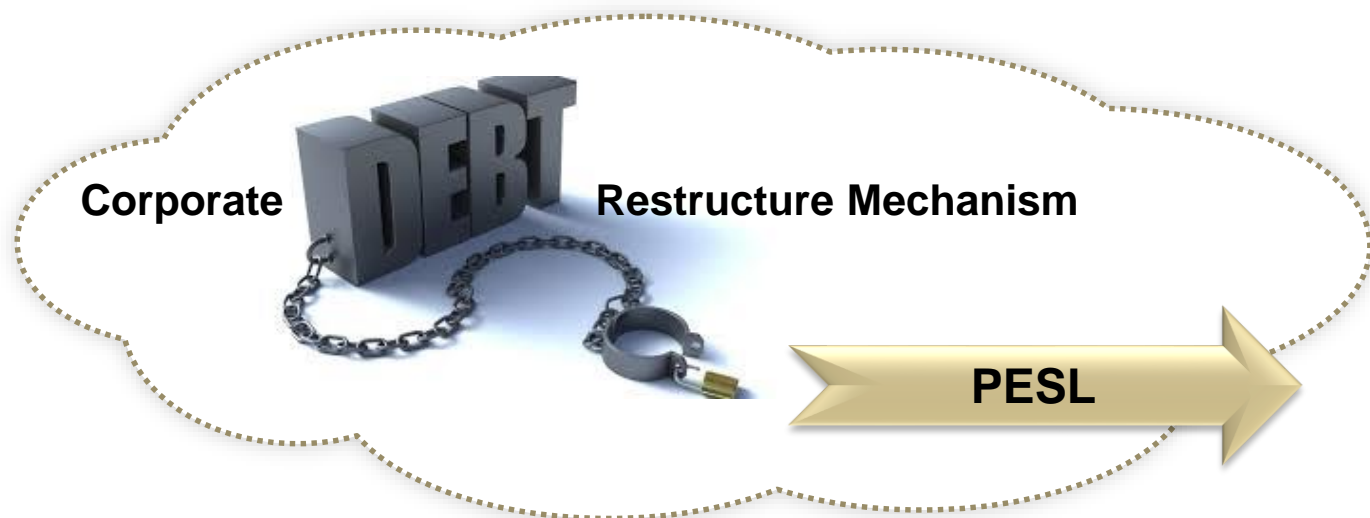


PESL – Appointment Of Managing Director



- Wholly owned subsidiary, Pokarna Engineered Stone Limited (PESL) has appointed Mr. Gautam Chand Jain as its Managing Director for a period of five years, with effect from 07th November, 2016 to 06th November, 2021. He continues to be the Chairman & Managing Director of Pokarna Limited.
- Mr. Gautam Chand Jain, a veteran and a pioneer in the field of stone business, has played a key role in giving India a prominent position in the global stone industry.
- PESL is being largely benefitted and so will be in the future, from the guidance and experience of Mr. Jain and would further consolidate on its position of being the country's largest player in quartz surfaces business.

PESL Exits CDR Mechanism



- Pokarna Engineered Stone Limited has received approval from Corporate Debt Restructuring (CDR) Cell, to exit from CDR mechanism.
- Exit will not only enable greater operational and financial flexibility but will support future growth plans.
- Pursuant to the terms of approval of CDR cell, PESL's Board and Shareholders, approved issuance of 1,60,00,000 Non Convertible Debentures (NCD) to its consortium lenders (Indian Overseas Bank, Union Bank of India & Bank of India).
- PESL had resorted to CDR mechanism in March 2012, given an adverse business scenario.

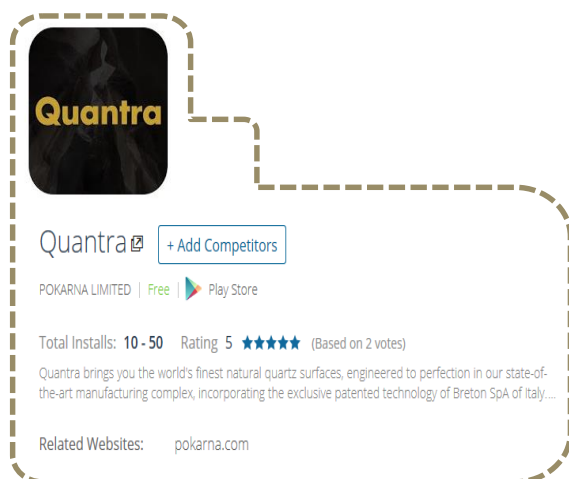
Mr. Gautam Chand Jain, Chairman at Pokarna Limited said :

"The exit is a significant step for PESL reflecting the Company's ability in turning around its business operations in such a short time. The exit will enable greater operational and financial flexibility for the Company and help us accelerate our growth. We are thankful to all our lenders who have stood by the Company and supported us during the tough times".

App Launch & Listing On NSE

Launch Of Interactive Application “Quantra”

- **Key Features –**
 - ❑ Product Catalogue: Showcasing all of Quantra’s leading designs and color palette.
 - ❑ Visualizer: Virtual experience of the Stunning Lobby, Modern Kitchen, Luxury Bathroom with a freedom to use your desired color from the available Quantra collection.
- Application offers interactive features making it easier than ever for its users to discover and experience Quantra’s rich and varied color palette.



Listing On NSE

- Listed on NSE from 07th July, 2016.
- Listing on NSE provides bigger platform and wider reach for our investors.
- Listing on both BSE and NSE will provide better price discovery.



Outlook



Outlook

- Pick-up in construction activity and increased spending on improvement and repair of existing structures to help maintain strong demand.
- 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.
- **Natural stone** is expected to account for **one-fifth share** of the US countertop market.
- **Engineered stone** given their durability, aesthetic appeal and maintenance free characteristics is expected to be the **fastest growing stone surface**:
 - Share in US countertop industry is expected to grow to 8.5% by 2019 from its 5.8% during 2009.

US Countertop Demand (million Square feet)

	% Annual Growth rate				
	2009	2014	2019	2009-14	2014-19
Countertop Demand	588	660	810	2.3%	4.2%
Laminates	301	300	355	-0.1%	3.4%
Natural Stone	90	120	155	5.9%	5.3%
Solid Surfaces	73	85	105	3.1%	4.3%
Engineered Stone	34	52	69	8.9%	5.8%
Cast Polymers	41	46	55	2.3%	3.6%
Tile	39	44	50	2.4%	2.6%
Other Materials	10	13	21	5.4%	10.1%

Source: Freedonia

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.

Unit - II

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

Quartz Surfaces



- Pokarna Engineered Stone Limited (PESL) – wholly owned subsidiary of Pokarna Ltd., is India’s largest manufacturer and exporter of engineered stone surfaces.
- **Global Demand** – Products exported across **20+** countries.
- **Diverse Product offering** – Color Palette of 64+ with multiple shades and textures of around 4500 catering to best of every market across all spectrums.
- **Availability of abundant Raw material:** The States of Telangana and Seemandhra 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, homogenous and free from micro porosities.
 - 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, Seemandhra.

Apparel

- **Launched in 2004**, Stanza focuses on premium product / lifestyle brand category for men & children.
- **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.

Investor Contacts

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