



27.07.2015

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 Q1 FY 16 Corporate presentation.

This is for your record and dissemination.

Regards:

For Pokarna Limited

Vinay Paruchuru
Company Secretary

Pokarna Limited

Registered & Corporate Office: Surya Towers, 105, Sardar Patel Road, Secunderabad 500 003, Telangana, India.
Phone: +91 40 2789 6361/7722, 6626 6777, F: +91 40 2784 2121, E-mail: contact@pokarna.com, Web: www.pokarna.com

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: 114102TG1991PLC013299



POKARNA LIMITED

India's No. 1 granite company

Q1FY16 Results Presentation

July - 2015



MAKING
IN INDIA,
SINCE 1991

About us

What we Do ?

- Pokarna Limited, headquartered in Secunderabad, is the largest exporter of finished granite in India with exports to more than 50+ countries (incl. Granite & Quartz Surfaces) globally across US, Canada, Europe, Middle East and predominantly North America. 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 ones ensuring the production is only the best.
- Pokarna also manufactures and sells apparels under the brand '**STANZA**' through its 13 retail shops pan India.
- The Company, through its wholly owned subsidiary, M/s. Pokarna Engineered Stone Limited (PESL), manufactures "Natural Quartz Surfaces" also known as "Engineered Stone" or "Compound Stone", created entirely by Breton technology and brilliantly engineered using the finest raw materials known to man. The Company sells this stone under the brand "**Quantra**".

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Q1FY16

Consolidated Financial Performance

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

“We are pleased with the strong start to the year as strong demand momentum across geographies resulted in improved revenue and profitability growth. In addition to our endeavor of building an exciting and innovative product pipeline we are also committed towards improving our operational and utilization efficiencies.

Going forward our efforts towards brand building, innovation and increasing reach should enable us to grow our business to greater heights.”



Q1FY16 at a glance - Consolidated



POKARNA LIMITED
India's No. 1 granite company

Quantra[®]
Natural Quartz surfaces from Pokarna
Technology. Powered by nature.



↑ Revenue **55%** ↑ EBITDA **131%**

Rs. crore	Q1FY16	Q1FY15
Sales	96	62
EBITDA	30	13
PAT	12	(1)

Financial Performance - Consolidated

Rs. crore

Particulars	Q1 FY16	Q1 FY15	Shift %
Revenues	96	62	54.8
EBITDA	30	13	130.8
Margin (%)	31.3	21.0	49.0
EBIT	25	7	257.1
PBT	17	(0.5)	-
PAT*	12	(1)	-
EPS diluted and non-annualized (in Rupees)	19.0	(1.6)	-

*Beginning FY 09 and from time to time, the promoters of Pokarna Limited ("PL") had advanced unsecured loans to PL and its subsidiary to bridge fund their respective business operations. On the request of the Boards of PL and its subsidiary, the promoters didn't charge any interest on such loans till FY 15. On the back of an improved operating performance, Boards of PL and its subsidiary have decided in their respective meetings to pay interest @ 14% p.a. on such loans. Consequently charge in Q1FY16 consolidated financial statement towards such interest is Rs. 125.46 lacs.

Segmental Performance



Segmental Performance

Rs. Crore

Revenue	Q1 FY16	Q1 FY15	Shift %	Q4 FY15	Shift %
Granite	51	40	27.5	51	0.0
Quartz Surfaces	44	19	131.6	50	(12.0)
Apparel	2	3	(33.3)	2	0.0



Rs. Crore

EBIT	Q1 FY16	Q1 FY15	Shift %	Q4 FY15	Shift %
Granite	14	9	55.6	15	(6.7)
Quartz Surfaces	13	1	1200	14	(7.1)
Apparel	(2)	(3)	33.3	(3)	33.3



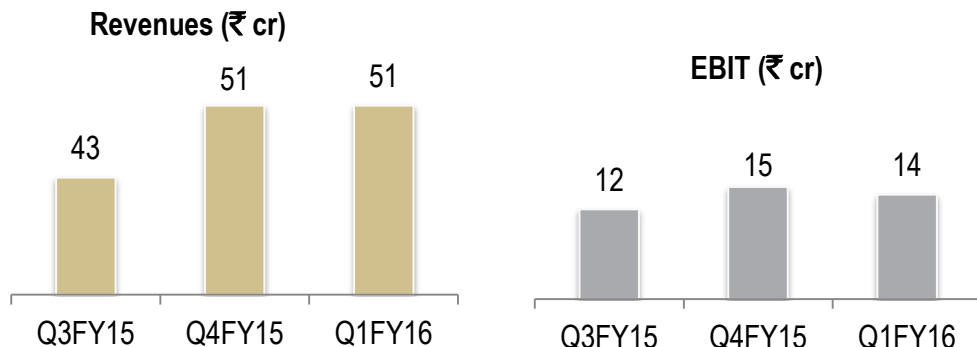
Rs. Crore

Capital Employed	Q1 FY16	Q1 FY15	Shift %	Q4 FY15	Shift %
Granite	78	81	(3.7)	79	(1.3)
Quartz Surfaces	179	176	1.7	160	11.9
Apparel	21	16	31.3	21	0.0



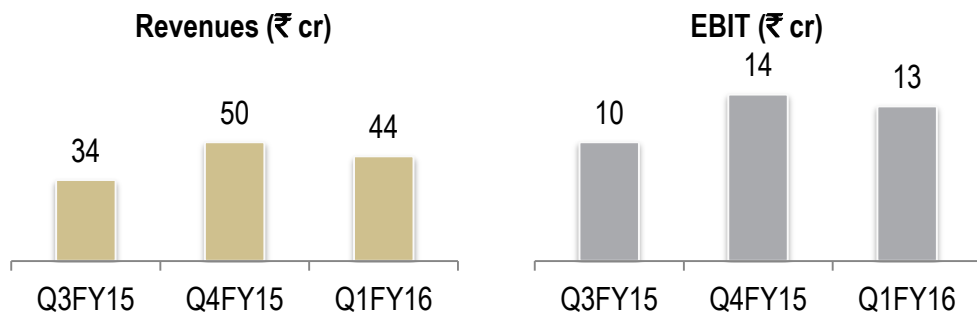
Segmental Performance

Granite



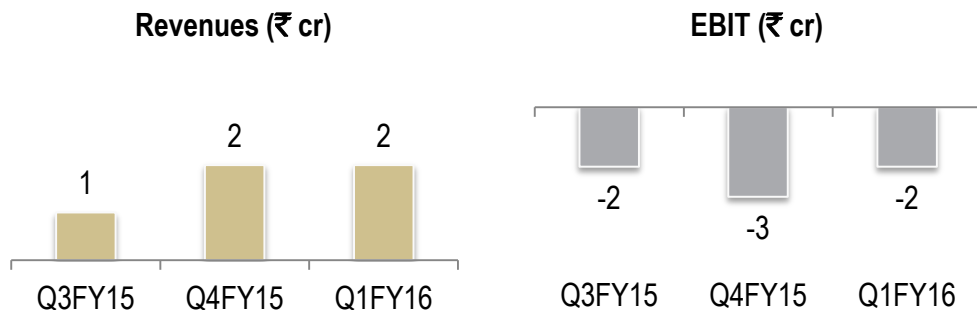
Strong demand across key regions coupled with higher sourcing from captive quarries resulting in consistent growth

Quartz Surfaces



Favorable product mix, improving brand visibility & better utilization accelerating segment's growth. Margins for Engineered stone business stood at 35.5%

Apparel



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

Operational Highlights & Strategic Actions

Operational Highlights – Q1 FY 16

- During the quarter, the Quartz Surfaces moulding line was upgraded with –
 - ❑ State of the art distribution system to produce natural designs, to reflect Pokarna's interpretation of exotic natural stones
 - ❑ Capability to manufacture Jumbo Slabs. Jumbo Slabs measure 131" X 65", in comparison to traditional slabs, which are 120" X55". Demand for Jumbo Slabs is growing in the US market as this size improves yield, facilitates color-matching and minimizes seams

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



- **Factory:**

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 –**
 - 13 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** – Multiple shades of around 4500 and textures catering to best of every market across all spectrums.
- **Color Palette of 64+**
- **Availability of abundant Raw material:** The State 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**”.

Factory:

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

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

Strengths

- Multi-faceted team of professionals
- Captive Granite quarries
- Rich in source – Colours
- Fully automated Granite production line ensuring quality and consistency
- 25 years of presence
- Availability of abundant Raw material
- Innovative product library – over 4,500 Quartz Surfaces shades, developed in house
- Only user of Bretonstone® Technology in India
- Strong connect with dealers / fabricators

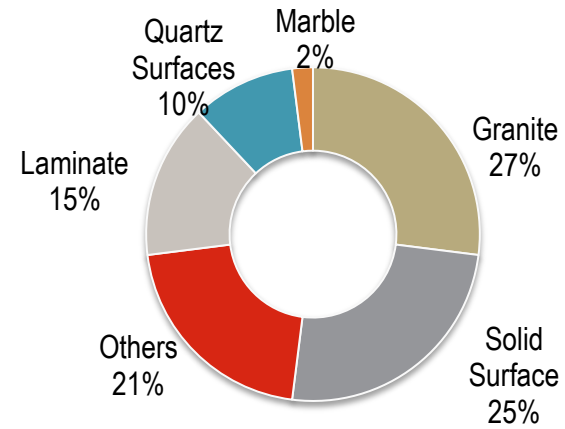
Industry Overview



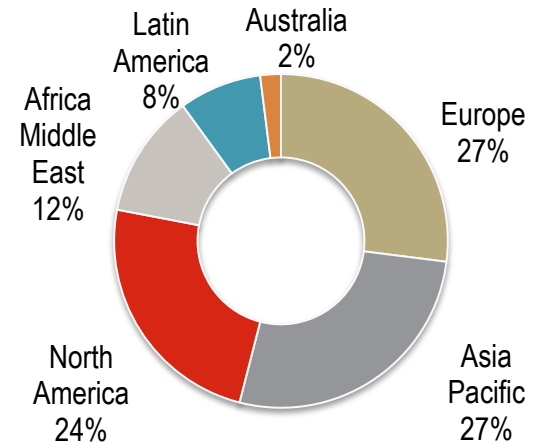
Countertop Industry - 2014

- **Market Size** – Global countertop industry generated ~\$81 bn in sales to end consumer in 2014 (based on average installed cost including installation & other related costs)
- Amongst the surfaces, **Granite with a share of 27%** remained preferred material for countertops, to be followed by **Solid Surfaces constituting 25%**
- **Quartz Surfaces** the fastest growing category with a **market share of 10%** remains near the **infancy stage** of a long term penetration opportunity
- Demand wise Europe, Asia Pacific and North America continued to remain the fastest growing regions with growth rate in excess of 20%

2014 Global Countertop Demand



2014 Global Countertop Demand

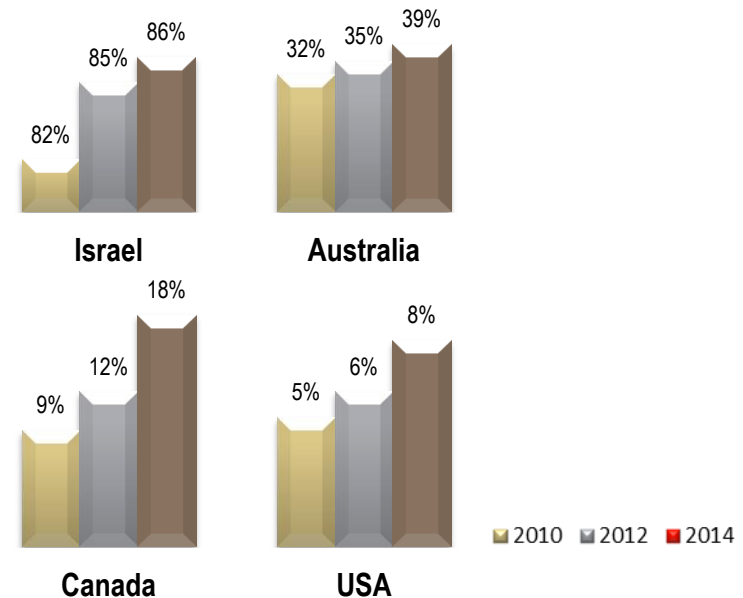


Source: Industry

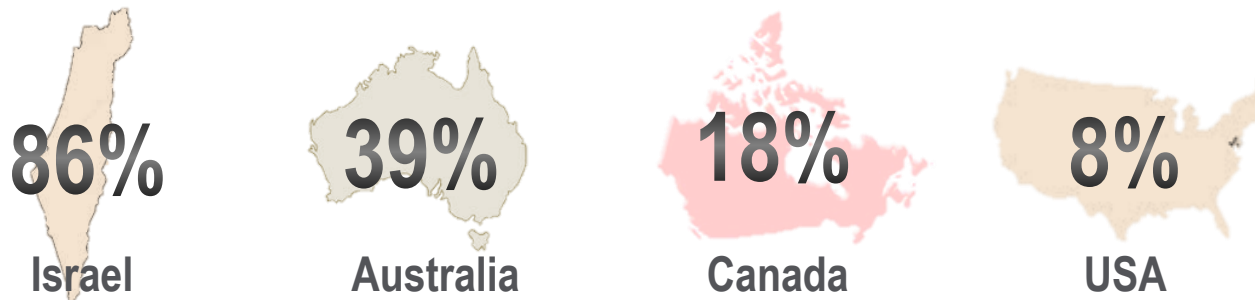
Quartz Surfaces as a countertop

- **Market penetration: 10% market share during 2014**
(in terms of sales)
- **Growing Market Share:** Fastest growing surface category ('99-'14)
 - increased at 15.7% CAGR
 - Grew from 2% penetration in 1999
 - Eating into market share of other stone surfaces
- **Increasing Popularity:** Gaining popularity amongst industry users and customers resulting in key markets

Quartz Surfaces penetration in key markets
(For the year ended December 31)



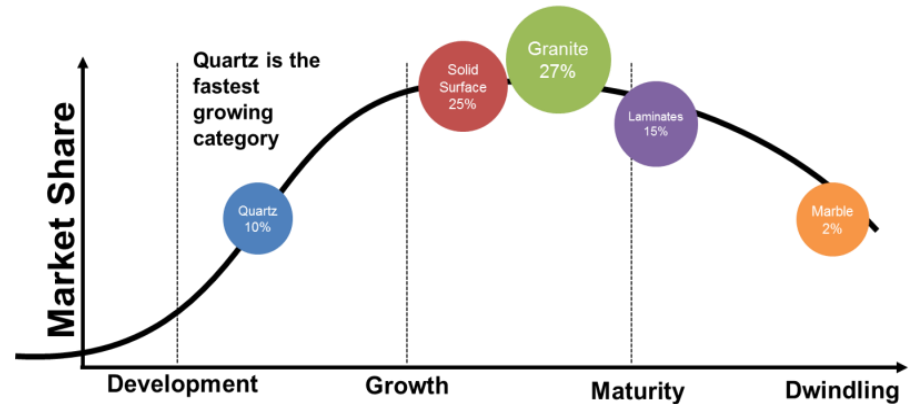
2014 Quartz Surfaces Share of Countertop Market by Region (Volume)



Quartz Surfaces

- One of the **hardest** and **most abundant natural minerals** available in the world
- **Product Composition** –
 - 93% Quartz particles
 - 7% binding resins and additives
- **Fastest growing surfaces category** ('99 –'12)
 - Quadrupled global market share
 - 15.8% CAGR growth rate
- **Characteristics** –
 - Strong
 - Durable
 - Designer friendly
 - Versatile
 - Low Maintenance
- Initial malleable form, **permits flexibility in design, texture and ease of fabrication & installation**
- **Area of application** –
 - Kitchen
 - Flooring
 - Stairs
 - Walls

Quartz Is the Fastest Growing Category in a \$81bn Market



Demand drivers

Export Market

- Revival in US Housing Sector
- Robust demand in the emerging markets
- Improvement in residential, non-residential builder markets, home improvement & remodeling and cabinetry segment
- Wider acceptance / usage of product across segments

US Housing Activity Forecast ('000)

	2014	2015	2016
Total Housing Starts	1,001	1,239	1,544
Single Family	649	875	1,173
Multifamily	352	364	370
New Single Family Sales	446	597	839
Existing Single-Family Home Sales	4,340	4,645	4,695

Source: National Association of Home Builders

Home Improvement / Remodeling (forecast)

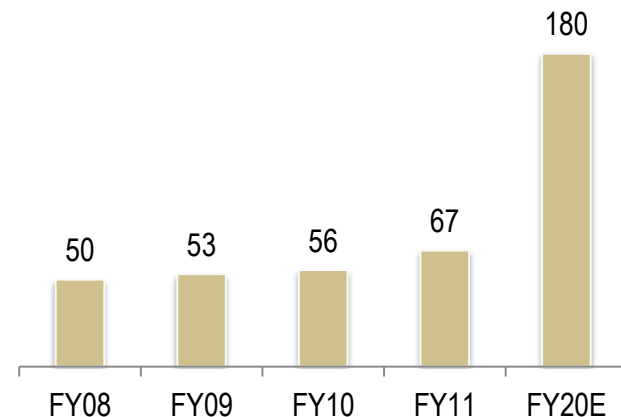
	2014	2015	2016	2017
Billions \$	301.7	319.4	332.3	343.9
% Change	5.9	5.9	4	3.5

Source: IHS Global Insight / HIRI Home improvement Products Market Forecast

Domestic Market

- Indian real estate sector is one of the fastest growing and globally recognized sectors
- Ranks Third, for the most LEED (Leadership in Energy and Environmental Design)-certified space globally; nearly 12 million sqm
- Total realty market in the country is expected to touch US\$ 180 billion by 2020

Indian Real Estate Market Size (\$ bn)



Source: Indian Brand Equity Foundation (IBEF)

Investor Contacts

For more information about us, please visit www.pokarna.com or contact:

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