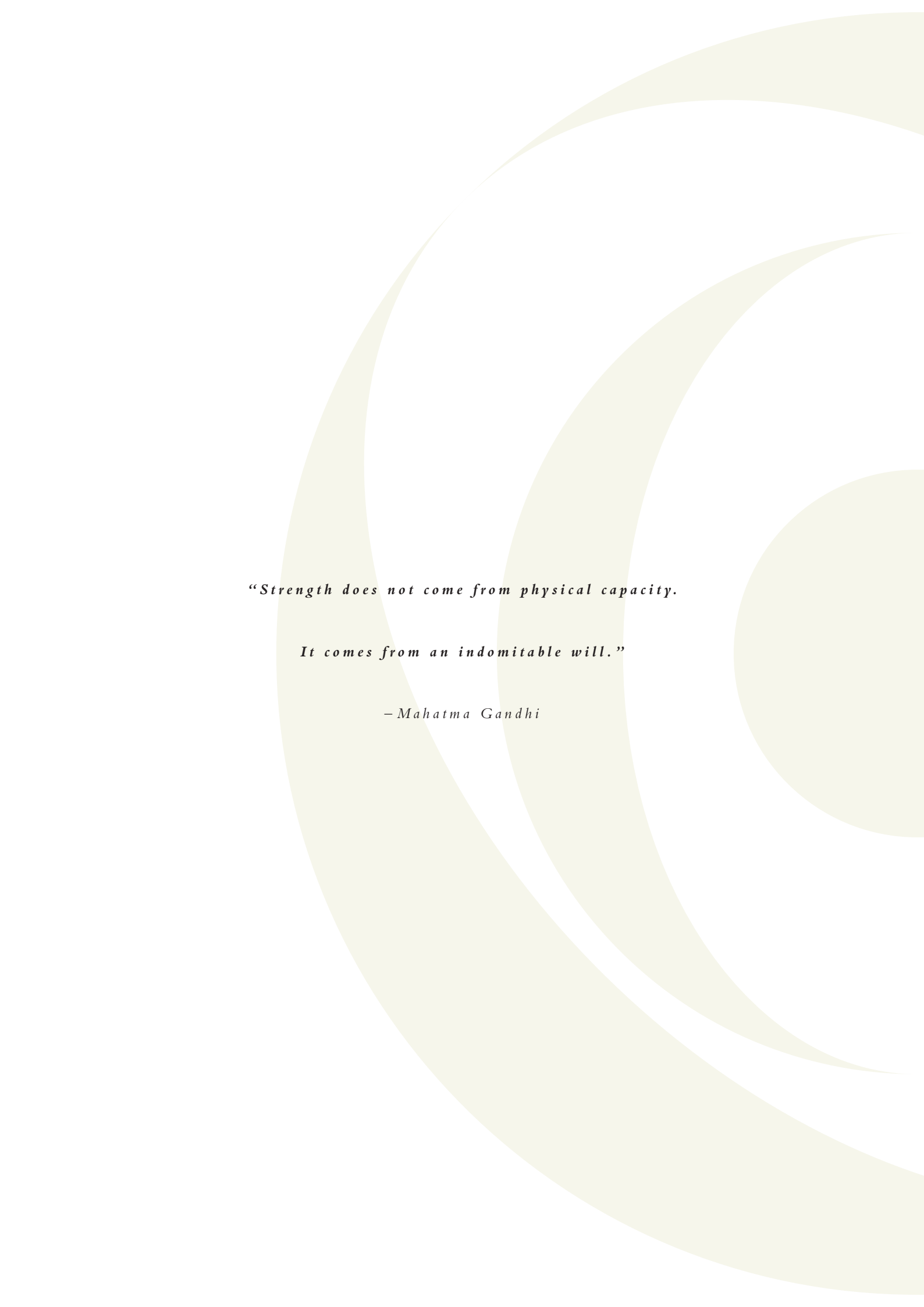


20th  
Annual report  
2010-2011



**POKARNA LIMITED**





*“Strength does not come from physical capacity.*

*It comes from an indomitable will.”*

*– Mahatma Gandhi*

# Achievement Highlights

## 1991 - 92

Incorporated on 9th October 1991 and Commenced granite quarrying & mining operations in Andhra Pradesh

## 1994 - 1995

Became a widely held public company by issuing shares to the public and presently listed on BSE

## 1996 - 97

Forward integration and owned a Manufacturing Plant (Unit 1) for slabs with  
Production Capacity of 1,44,000 Sqr.Mtrs

## 2000 - 2001

Acquired another Manufacturing Plant (Unit 2) with initial Annual Production Capacity of 156000 Sqr.Mtrs.

## 2002 - 2003

Set up a brand new Tile Plant at Unit 2 with Annual Production Capacity of 108000 sqr.mtrs. and  
expanded slab processing facility by 1,14,000 sqr.mtrs.  
Achieved turnover over INR. 100 Crores  
Conferred “Bharat Ratna Dr.Visvesvaraya Industrial Award” by all India Manufacturers Organisation for  
Best Export Performance

## Venture into Apparel sector : 2003 2004

Company ventured into Apparel Sector and set up a Manufacturing Facility for readymade garments in  
Andhra Pradesh. The facility has Annual Production Capacity of 12,00,000 units.

## 2004 - 2005

Expanded facilities of Unit 2 (Granite Division) by adding two more gangsaws with total  
Annual Production Capacity for tiles and slabs to 6,36,000 sqr.mtrs.

## 2006 - 2007

Accredited with ISO – 9001:2000 certification by Bureau Veritas Quality International (BVQI) Mumbai.

## 2008 - 2009

Received “Special Export Promotion Award” from CAPEXIL for Export in granite sector  
The Marble Institute of America conferred the “ROCKY” award for Collateral  
Material, Brochure, Print Advertisement and Magazine.

## World Class Manufacturing Facility for Quartz Surfaces : 2009 -2010

Set up a world class Manufacturing Facility on a plot of about 40 acres of land at APSEZ, Visakhapatnam,  
Andhra Pradesh, to manufacture quartz surfaces. The Unit has annual production capacity of 889500 sqr.  
mtrs & employs patented technology imported from Breton Technology Limited, Italy, with exclusive  
right in India. Presently the facility has been demerged and is under wholly owned Subsidiary Company,  
Pokarna Engineered Stone Limited

## Export House

Awarded status of Export House in 2000

## Recognition in Export Performance

First Prize in the Granite sector for “Export Performance-Merit Certificate” from 1999-2000 to 2005-2006

## “Best Export Performance Award”

“Best Export Performance Award” (in Granite Sector) by the Visakhapatnam SEZ between 2001-2002 to 2005-2006

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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### Executive Directors

Mr. Gautam Chand Jain  
Chairman & Managing Director

Mr. Rahul Jain

Mr. Siddharth Jain

#### Non-Executive Directors

Mr. Prakash Chand Jain

Mr. Meka Yugandhar

Mr. Thati V. Chowdary

Mr. Vinayak Rao Juvvadi

Mr. Mahender Chand Chordia

Mr. Dhanji Lakhamshi Sawla

#### COMPANY SECRETARY

Mr. Chinmoy Patnaik

### REGISTERED & CORPORATE OFFICE

105, First Floor, Surya Towers, Sardar Patel Road,  
Secunderabad-500 003, Andhra Pradesh, India.  
Tel: 91-40-27842182, 27844101, 27897722,  
66310111/222, Fax: 91-40-27842121  
Email: [contact@pokarna.com](mailto:contact@pokarna.com)  
Website: [www.pokarna.com](http://www.pokarna.com), [www.stanzaworld.com](http://www.stanzaworld.com)

### STATUTORY AUDITORS

M/s. S. Daga & Co., Chartered Accountants,  
Hyderabad.

### BANKERS

Union Bank of India, Khairatabad, Hyderabad

### FACTORIES

Survey No.123, Toopranpet (Village),  
Choutuppal (Mandal), Nalgonda (District),  
Andhra Pradesh.

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

Survey No. 33, 39, 50, 51, 55, 68 & 69,  
Apparels Export Park, Gundla Pochampally Village,  
Medchal Mandal, R. R. District, Andhra Pradesh.

## NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the Twentieth Annual General Meeting of the members of Pokarna Limited will be held on **Monday, the 12th day of September, 2011 at Hotel Fortune Select Manohar, Old Airport Exit Road, Begumpet, Hyderabad at 10.30 A.M.** to transact the following business:

### ORDINARY BUSINESS

- 1) To receive, consider and adopt the audited Balance Sheet as at 31st March 2011 and the Profit and Loss Account for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
- 2) To appoint a Director in place of Mr. Meka Yugandhar, who retires by rotation and, being eligible, offers him for reappointment.
- 3) To appoint a Director in place of Mr. Thati V. Chowdary, who retires by rotation and, being eligible, offers him for reappointment.
- 4) To appoint a Director in place of Mr. Mahender Chand Chordia, who retires by rotation and, being eligible, offers him for reappointment.
- 5) To appoint a Director in place of Mr. Dhanji Lakhamsi Sawla, who retires by rotation and, being eligible, offers him for reappointment.
- 6) To reappoint M/s. S. Daga & Co. (F.No. 000669S), Chartered Accountants, as Statutory Auditors of the Company, to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and Board of Directors to fix their remuneration.

### SPECIAL BUSINESS

- 7) To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT in continuation to the resolution passed at the Annual General Meeting of the Company held on 24th September, 2008 reappointing Mr. Gautam Chand Jain as the Chairman & Managing Director of the Company for a period of 5 years from 1st July 2008 up to 30th June, 2013, which was partially amended by the shareholders at the Annual General Meeting held on 23rd September 2009 and, subject to such other approvals as may be necessary, consent, pursuant to the provisions of Sec 269 read with Schedule XIII of the Companies Act, 1956 and other applicable provisions of the Companies Act, 1956, is hereby accorded to the payment of the remuneration to Mr. Gautam Chand Jain, Chairman & Managing Director of the Company as set out in the Explanatory Statement annexed to the Notice convening this meeting with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to revise the remuneration, subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof for the period commencing from 1st July 2011 up to 30th June 2013:

RESOLVED FURTHER THAT the resolution passed at the Annual General Meeting held on 24th September, 2008 reappointing Mr. Gautam Chand Jain as the Chairman & Managing Director of the Company for 5 years effective from 1st July 2008 up to 30th June, 2013 shall, except to the extent modified here, continue in force;

RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this resolution”.

- 8) To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to Section 31 and other applicable provisions of the Companies Act, 1956, article 58 of the Articles of Association of the Company be and is hereby stands altered by replacing in entirety with a new Article 58 as set out below:

Subject to the provisions of the Companies Act, 1956, every Director shall be paid a Sitting Fee of such sum as may be decided by the Board of Directors of the Company not exceeding ₹ 20,000/- for attending each meeting of the

Board of Directors or any committee thereof and shall also be entitled for reimbursement of travelling, hotel and other expenses incurred by him for attending and returning from the meeting(s).”

By order of the Board of Directors

**Chinmoy Patnaik**

Deputy General Manager –  
Legal & Company Secretary

8th August, 2011  
Secunderabad.

**NOTES:**

1. Relevant explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of resolution set out under item no. 7 & 8 are appended below.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY TO BE EFFECTIVE SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
3. Members who hold shares in dematerialised form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to mention their Folio Number in the attendance slip for attending the meeting.
4. Corporate members intending to send their authorized representatives are requested to furnish a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
5. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. Members are requested to notify change, if any, in their address to the Registrar and Transfer Agent, namely, M/s Karvy Computershare Private Limited, Registrar and Share Transfer Agents, Plot No. 17 to 24, Near Image Hospital, Vittalrao Nagar, Madhapur, Hyderabad 500 081. All communications regarding shares are to be addressed to our Registrar and Share Transfer Agent at the address mentioned above.
7. Members whose shareholding are in the electronic mode are requested to direct change of address notifications to their respective Depository Participants.
8. According to provisions of sub section (5) of Section 205A of the Companies Act, 1956, dividend which remain unclaimed for a period of Seven years is required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205C of the Companies Act, 1956. Information in respect of such unclaimed dividend and last date for claiming the same are given below;

Financial year	Date of declaration	Last date of claiming unclaimed / unpaid dividend
2003 - 04	30.09.2004	29.09.2011
2004 - 05	26.09.2005	25.09.2012
2005 - 06	29.09.2006	28.09.2013
2006 - 07	28.09.2007	27.09.2014
2007 - 08	24.09.2008	23.09.2015

Shareholders, who have not so far encashed the Dividend Warrant(s), are requested to seek issue of duplicate Dividend Warrant(s) by writing to the Company's Registrar & Transfer Agent, M/s Karvy Computershare Private Limited immediately. Shareholders are requested to note that no claims lie against the Company or the said fund in respect of any amounts which remain unclaimed and unpaid beyond seven years from the date they first became due for payment and no payment shall be made in respect of any such claims.



9. Members holding shares in the same order of name or in the same order of names but in several folios are requested to inform for consolidation into one folio.
10. Consequent upon introduction of Section 109A of the Companies Act, 1956 shareholders are entitled to make nomination in respect of shares held by them in Physical Form. Shareholders desirous of making nominations are requested to send their requests in Form No. 2 B in duplicate to M/s Karvy Computershare Private Limited (Forms shall be made available on request).
11. Any member desirous of obtaining any information on the accounts or operations of the Company is requested to forward his / her queries to the Company addressed to the Registered Office at 105, First floor, Surya Towers, Sardar Patel Road, Secunderabad - 500 003 for the attention of Mr. Chinmoy Patnaik, Deputy General Manager - Legal & Company Secretary, at least Seven days prior to the date of the meeting.
12. Copies of the Annual Report will not be distributed at the Annual General Meeting.
13. The Register of Members and Share Transfer books of the Company will remain closed from 8th September, 2011 to 12th September, 2011 (both days inclusive).
14. The Register of Directors' Shareholdings shall be open for inspection to any member of the Company during the period beginning 14 days before the date of Company's Annual General Meeting and ending 3 days after the date of its conclusion. The said register shall also remain open and accessible during the Annual General Meeting to any person having right to attend the meeting.
15. Following is bio-graphical data of the Directors seeking re-appointment as required under clause 49 of the Listing Agreement entered with the Stock Exchanges:

Name of the Director	Mr. Meka Yugandhar	Mr. Thati V. Chowdary	Mr. Mahender Chand Chordia	Mr. Dhanji Lakhamsi Sawla
Date of Birth	10.07.1951	01.06.1943	13.04.1943	06.08.1930
Date of Appointment	29.03.2002	31.07.2002	01.07.2003	01.07.2003
Expertise in specific functional areas	securities market, finance, general management and commercial matters	Mining , Geology, finance & corporate management	finance, consumer goods industry, business management and commercial matters	Trading , business administration and commercial management
Qualifications	B.com., FCA	B.E (Mining), M.B.A, L.L.B, F.I.E, .M.E.A, S.M.E.	B.com., FCA	Secondary
Directorship held in other companies as on 31st March, 2011 (excluding foreign companies and private limited companies)	10	4	1	1
Chairmanship / Membership of Committees (across all public limited Companies)	2/6	2/4	1	Nil
No. of shares held in the Company as on 31st March, 2011	Nil	Nil	Nil	Nil

**Names of companies in which the appointees also hold the directorship and the membership of Committees of the Board**

1. Mr. Meka Yugandhar	2. Mr. Thati V. Chowdary
(i) Karvy Stock Broking Limited, Director (I) Audit Committee, Member (II) Remuneration Committee, Member (III) Customer Service Committee, Member (IV) Risk and Compliance Committee, Member	(i) Regency Ceramics Limited, Director (I) Chairman – Share Transfer Committee (II) Member – Audit Committee

(ii)	Karvy Financial Services Limited, Director (I) Audit Committee, Chairman (II) Investment Committee, Chairman (III) Nomination Committee, Chairman	(ii)	Divyasakthi Granites Limited, Director
(iii)	Karvy Investor Services Limited, Director	(iii)	Regma Ceramics Limited, Director (I) Member – Audit Committee
(iv)	Karvy Global Services Limited, Director (I) Audit Committee, Member	(iv)	Pokarna Engineered Stone Limited, Director
(v)	Karvy Comtrade Limited, Director		
(vi)	Karvy Consultants limited, Director		
(vii)	Karvy Insurance Broking limited, Director		
(viii)	Karvy Investor Services Limited, Director		
(ix)	Nova Consultants Limited, Director		
(x)	Pokarna Engineered Stone Limited, Director		
<b>3.</b>	<b>Mr. Mahender Chand Chordia</b>	<b>4.</b>	<b>Mr. Dhanji Lakhamshi Sawla</b>
	Pokarna Engineered Stone Limited – Director		Pokarna Engineered Stone Limited – Director

#### ANNEXURE TO NOTICE

#### EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956

##### Item No. 7

Mr. Gautam Chand Jain is the Chief Promoter of the Company. He was initially appointed as the Executive Chairman on 1st July 2003.

As required under Part II, Section II, Para C of Schedule XIII to the Companies Act, 1956, the relevant details to be sent along with the Notice calling the general meeting are as under:

##### I. General Information:

- Nature of Industry: Manufacturers of Granite Mining and Processing, Apparel manufacturing and retailing.
- Date or expected date of commencement of commercial production: The Company was incorporated on 9th October, 1991.
- In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable.
- Financial performance based on given indicators:

(₹ in lakhs)

Particulars	31st March 2009	31st March 2010	31st March 2011
Net Sales	14198.16	13197.19	13237.11
Operating Profit	1897.36	1415.50	1882.58
Profit Before Tax	115.22	(379.81)	105.16

- Export performance and net foreign exchange earnings:

(₹ in lakhs)

Particulars	31st March 2009	31st March 2010	31st March 2011
Foreign exchange earnings	10523	9073	8362
Outgo	2879	1601	1929

- Foreign investments or collaborators, if any: The Company has no foreign collaborators and hence there is no equity participation by foreign collaborators in the Company.