



POKARNA LIMITED

FUTURE FOCUSED

DRIVEN BY
EXCELLENCE

26TH ANNUAL REPORT 2016-17



The cover design represents the vibrancy, passion and focus of the Company. The elements and colors align with the business of the Company as well as project the future-focus agenda for the long-term.

Disclaimer

Certain statements in this report may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like regulatory changes, local, Political or economic developments, technological risks, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. Important factors that could make a difference to your Company's operations include economic conditions affecting demand/ supply and price conditions in the domestic and overseas markets in which your Company operates, changes in the Government regulations, tax laws, statutes and other incidental factors. Your Company will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.



Our future focused story



Scaling business
when it matters
the most



Investing in
technology that is
unmatched



Higher value and
lower costs to drive
shareholder return

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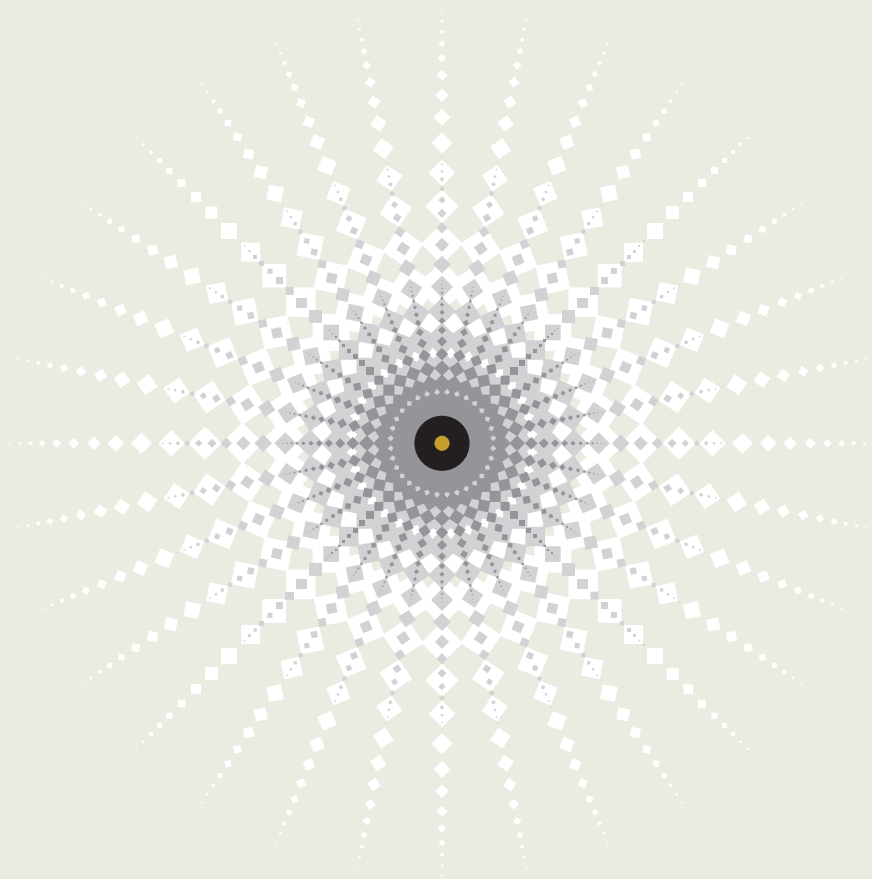
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This Report is also available online
on www.pokarna.com

What's future focused to us?





It is about never running out of the zest of accelerating towards newer opportunities.

It is about thinking way ahead of today and preparing now for what is to come.

It is about enhancing ourselves with the changing age, and anchoring relationships that'll stand the sands of time.

It's about taking the right steps in the short term, with eyes firmly on the long term consequences.

At Pokarna, the future isn't just another distant frame of time. For us, the future is something we carry with us, every day. The decisions of banking on our two decades of experience; the efforts of reinventing the arena of natural stones; and the strategies of creating sustainable values for our stakeholders will help us build a future-ready organisation.

Every step we've taken has been driven by our firm focus on what can be, must be and will be.

And every result we've garnered has simply reinforced this focus further!





This is Pokarna

Our Inspiration

Rich, colorful, textured and diverse beyond compare. From the depths of the earth, with extreme sensitivity, we extract the world's finest natural granite. Then we cut, shape, process and polish it with tender loving care. All in a state-of-the-art manufacturing complex that has few equals in the world. We call it tough love!



Our recent expansion plans for Quartz surfaces is a vindication of our ‘future-focused’ approach towards building a sustainable and profitable entity.



Pokarna Limited is among the leading producers for Granite in India. With an integrated business model, comprising of self-owned quarries and state-of-the-art technology, we continue to march along with sustainable growth strategy.

Established in 1991, Pokarna Limited brings its deep-rooted knowledge and experience to its business model. Today, a preferred and trusted name in the world of Granite, we have extended our product portfolio to manufacturing Quartz surfaces.

With a wide array of color pallets on the offering backed by owned quarries, our products are widely accepted by renowned global and domestic clients. Our quality and expertise helps us emerge as reliable business partner for local and international markets.

In line with our growth plans, we place great emphasis on strengthening our business sustainability. Our recent expansion plans for Quartz surfaces is a vindication of our ‘future-focused’ approach towards building a sustainable and profitable entity.

1st

India's first Granite and Quartz stone company to be listed on Indian Stock Exchange

1st

India's only company to possess Breton technology (world's best) for manufacturing Quartz surfaces

17

No. of owned granite quarries across Telengana, Andhra Pradesh and Tamil Nadu

4

Manufacturing / processing facilities: two for Granite, one for Quartz and one for Apparel



Global footprint

- | | | | | | |
|---------------|------------|--------------------|---------------|-------------|----------------|
| 1. Algeria | 7. Belgium | 13. Columbia | 19. France | 25. Ireland | 31. Lebanon |
| 2. Argentina | 8. Bermuda | 14. Croatia | 20. Germany | 26. Israel | 32. Libya |
| 3. Australia | 9. Brazil | 15. Cyprus | 21. Greece | 27. Italy | 33. Luxembourg |
| 4. Austria | 10. Canada | 16. Czech Republic | 22. Hong Kong | 28. Jamaica | 34. Malaysia |
| 5. Bangladesh | 11. Chile | 17. Egypt | 23. Indonesia | 29. Jordan | 35. Mexico |
| 6. Barbados | 12. China | 18. Finland | 24. Iraq | 30. Korea | 36. Morocco |



37. Netherlands	43. Qatar	49. Spain	55. Turkey	61. Venezuela
38. New Zealand	44. Romania	50. Sri Lanka	56. UAE	62. Vietnam
39. Norway	45. Russia	51. St. Lucia	57. Uganda	
40. Palestine	46. Saudi Arabia	52. Switzerland	58. UK	
41. Poland	47. Slovakia	53. Taiwan	59. Ukraine	
42. Puerto Rico	48. Slovenia	54. Thailand	60. USA	

* Map is not to scale, it is used for representative purpose only. It does not authenticate any international borders.

Message from the Chairman



DEAR SHAREHOLDERS,

Your Company has a vision of creating long-term value by adapting and leveraging the opportunities of a challenging industry scenario and current macroeconomic environment. The year 2016-17 was a landmark year for Pokarna for a number of reasons that shall define the future course for the Company. In the backdrop of uncertainties in the global markets and demonetization decision that caught the domestic economy by surprise, we demonstrated credible financial performance for the year under review.

Future-focused strategy

With over two decades of existence, our strategy and mission continues to emerge as a valuable company driven by excellence. Aligning to evolving market trends, we have undertaken some strategic steps that set us on the path of sustainability.

One, the performance of our granite business continued to be under pressure during the year. Multiple headwinds, lower realizations and excessive supply did have a negative impact on overall granite industry. These factors caused the prices to fall substantially to an extent that market players could not meet their production costs. At Pokarna, we have always remained firm on our principles to drive profitability. We limited our participation during this 'no-profitability' and 'high-revenue' phase. We also shifted production mix towards customized 'cut-to-size' segments, yielding higher realisations and better profitability.

Two, buoyed by the strong demand for quartz surfaces and confident of our product quality, we delivered stellar results for 2016-17. Our innovative and diversified product portfolio with superior quality