

Annual report  
2022-23



POKARNA LIMITED

# Synergised to Succeed

# Synergised to Succeed

At Pokarna, process innovation and an aspiration to provide world-class products have played a pivotal role in driving excellence.

In a year marked by several external headwinds, our agile and valueaccretive business model helped us remain resilient.

As one of the leading exporters of granite and quartz surfaces, we provide contemporary designs, value for money and high-quality products that resonate with the changing aspirations of customers and evolving market dynamics.

At Pokarna, we constantly invest in new technologies and processes to increase our overall efficiency for a sustainable business. Our fully automated production line with cuttingedge technology helps us produce bestin-class products for our customers worldwide.

Our state-of-the-art manufacturing facilities in Telangana and Andhra Pradesh are equipped with 'Bretonstone' technology that ensures superior quality. Leveraging our presence in over 20 countries and an extensive and robust distribution network, we strengthen our market leadership and maximise value for our stakeholders.



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Revenue mix for FY23 (₹ crore)



# About Pokarna

One of the leading exporters of Granite and the largest exporter of Quartz surface, Pokarna Limited (Pokarna) has been utilising its manufacturing expertise to delivery industry-leading quality and innovative products to our customers.

Founded in a year 1991 by Mr. Gautam Chand Jain, Chairman and Managing director. Our state-of-the-art quartz surfaces manufacturing facilities are equipped with Bretonstone® specialised technology to produce best-in-class products. We have presence in over 20 countries with an extensive and robust distribution network. We also produce and sell apparel wear under brand name of 'Stanza'.



## Our five pillars



Value Our People



Health, Safety and Sustainability



Embrace Technology and Innovation



Operating Performance



Focus on Profitable Growth

## Quick facts

# 30+

Years of experience

# 20+

Countries exported

# 17%

5-year CAGR growth of Net worth

# 22%

5-year CAGR growth of Gross Block

# 17%

5-year CAGR growth of Book Value

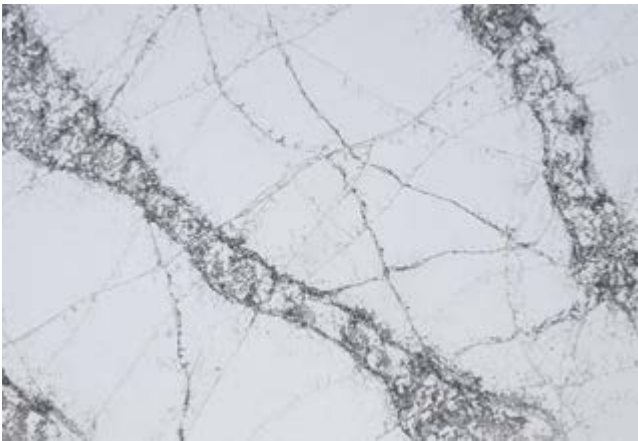
### Some of Our New Quantra Offering



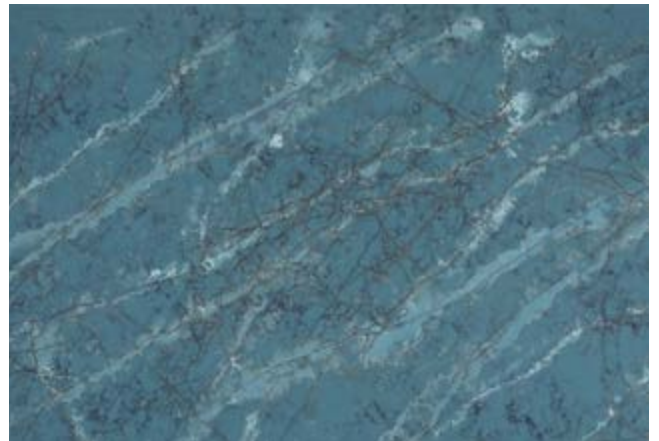
○ Moon Walk



○ Pantheon



○ La Dolce Vita



○ Fontainebleau



○ Champs-Elysees

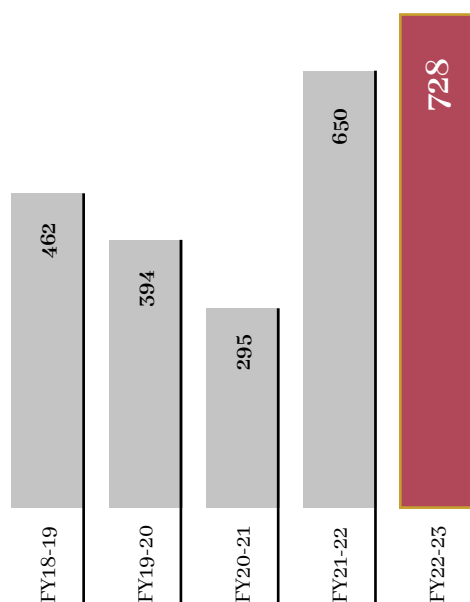


○ Pirouette

# Consolidated Financial highlight

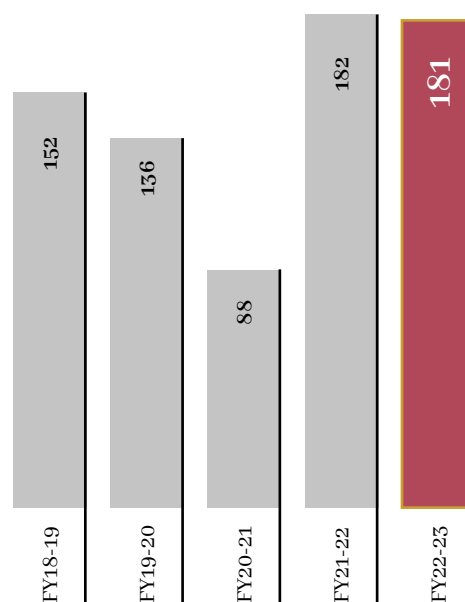
## Revenue from Operations

(In INR crores)



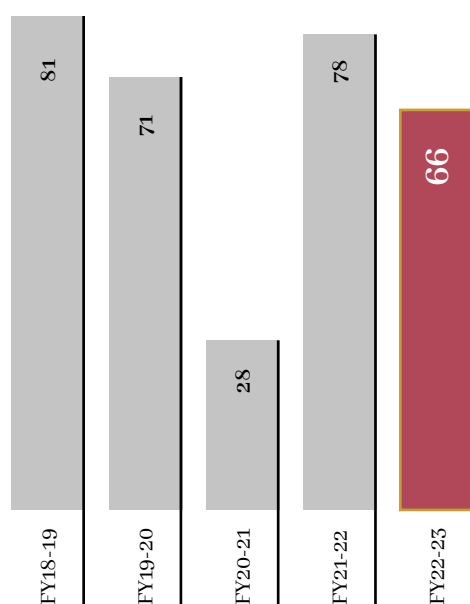
## EBITDA

(In INR crores)



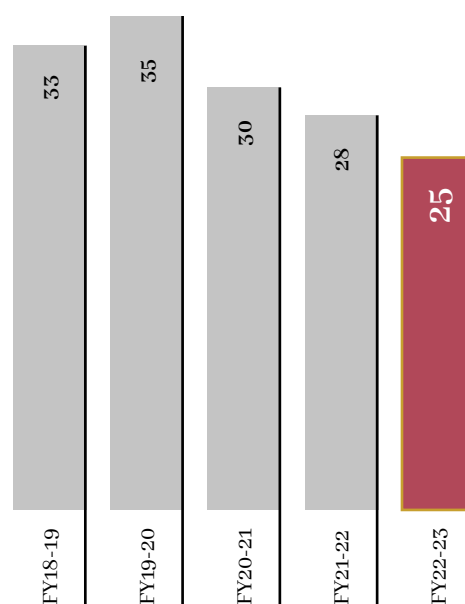
## PAT

(In INR crores)

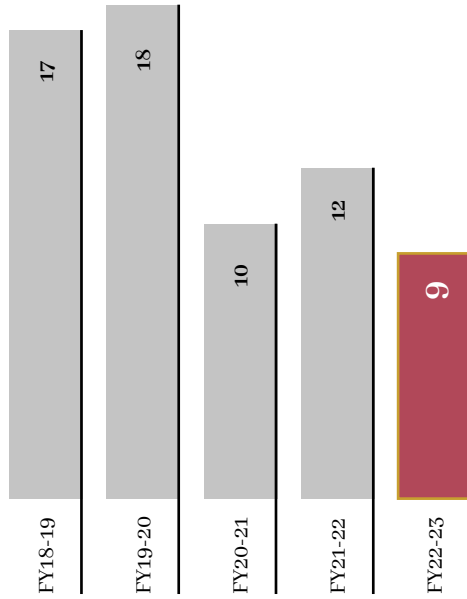


## EBITDA Margin

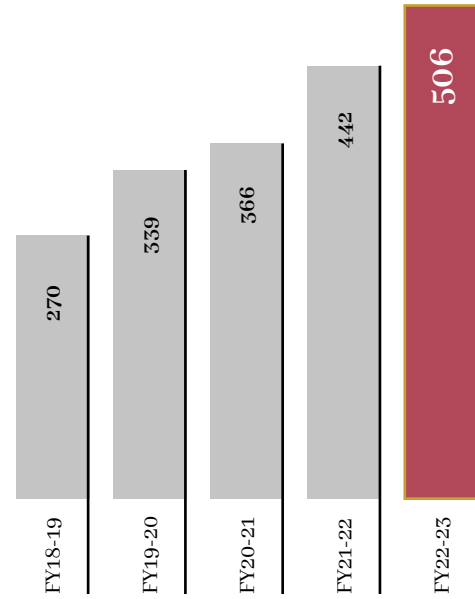
(%)



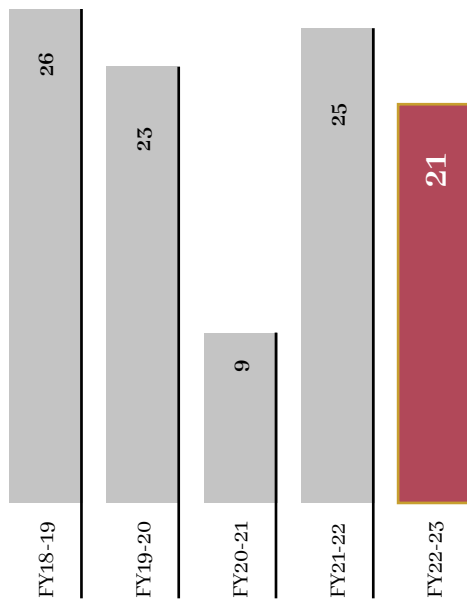
### PAT Margin (%)



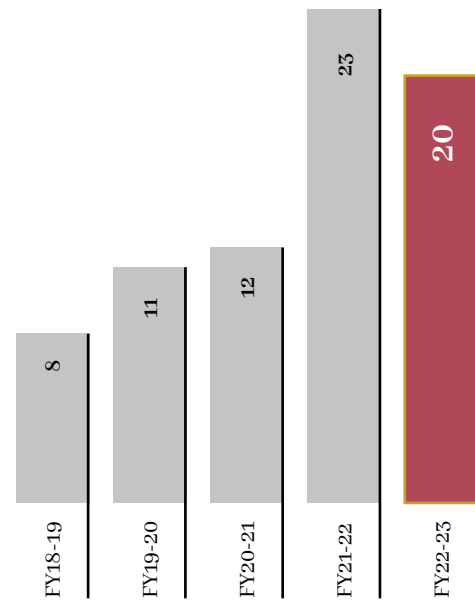
### Net Worth (In INR crores)



### EPS (in Rs.)



### Cash and Cash Equivalent (In INR crores)





# Chairman's message



Our consolidated revenue from operations reached Rs. 728crore during the year, marking 12 % compared to the previous year.



## Dear Stakeholders,

India is a major producer and supplier of natural stone globally and is home to a large number of granite suppliers who are skilled in producing and exporting practically every kind of stone. Each year, India exports the bulk of granite and other natural stones to several countries, including Germany, Poland, Slovenia, Slovakia and Austria, along with other parts of the world.

At Pokarna, one of the leading exporters of granite and the largest exporter of quartz surfaces, we have been utilising our manufacturing expertise to deliver world-class granite and quartz surfaces to our growing customer fraternity across the globe.

I am honoured to present the 32nd annual report of Pokarna Limited at the conclusion of FY 2022-23. In today's highly competitive and dynamic business landscape, synergies have become a crucial driver of success. At Pokarna, we acknowledge the immense value that can be created by harnessing the collective strengths and capabilities of our diverse teams, business divisions and strategic partnerships. By synergising



our efforts, we are geared to unlock new opportunities, drive innovation and achieve sustainable growth.

### Industry and business overview

2023 was an eventful year for us as we delivered on our strategy and made great strides in driving modest growth amid a slew of challenges. While substantial work lies ahead, we are pleased with how we have responded so far. As we enter a new fiscal year, it gives me immense pleasure to reflect on the year just gone by.

The housing and construction markets in the United States faced several headwinds in the later part of the year, primarily due to soaring interest rates coupled with broadening inflationary pressures. Additionally, shipping prices witnessed a sharp fall, causing our customers to adjust their inventory levels and put certain orders on hold. All these factors contributed to muted demand.

Consequently, we decided to reduce production volumes, which resulted in greater unabsorbed overhead expenses and lower margins, thereby impacting our overall profitability. The combination of high interest rates and lower consumer confidence hindered market demand and volumes further. Regardless of the uncertain duration of these challenges, we are dedicated to managing production volumes effectively until the situation stabilises.

We, at Pokarna, remain confident and well-prepared to navigate these downturns, strengthened by our rich legacy spanning over three decades, cutting-edge manufacturing facilities and substantial presence in more than 20 countries. We have identified new geographies, such as Canada, Russia and parts of Europe, as potential areas for expansion. By tapping into these markets, we aspire to diversify our customer base and lessen our reliance on the US market. This will also bolster our resilience and sustain long-term growth

I am pleased to report that, amid several headwinds, Pokarna has been able to deliver modest financial results. Our consolidated revenue from operations reached Rs. 728 crore during the year, marking 12 % compared to the previous year. This performance is an outcome of our commitment to innovation, the sharpening of our capabilities and the dedication of our talented workforce.

### Segmental performance

In terms of our granite segment's performance, we witnessed intense competition and escalated interest rates, which adversely affected our revenues and profitability. However, our vertical integration with captive quarries and state-of-the-art mining and processing infrastructure provided us with a competitive advantage in handling external adversities.

Similarly, in the quartz surfaces segment, the rising interest rates and sharp fall in shipping rates weighed on demand and customer sentiment, leading to inventory reductions and order delays. Nevertheless, our state-of-the-art production facilities, coupled with an unwavering focus on research and development, enabled us to deliver premium-quality products to our clients. Throughout the course of FY23, we served our customers through private label products and our Quantra brand, ensuring that their diverse needs were met.

Our laser-focused approach to operational excellence also helped ensure that processes are efficient, costs are optimised and quality is impressive. Furthermore, we deliberately focused on key segments in the US market, carving a well-defined path to healthy margins and sustained revenue growth. In our apparel division, we have begun implementing several initiatives for cost reduction.

Determined to turn threats into opportunities, we remain committed to exploring new avenues of growth while

also leveraging our robust footprint across various geographies. Guided by a visionary leadership team, we, at Pokarna, are poised to steer our organisation towards success while creating sustainable value for all our stakeholders.

### Enhancing brand visibility

We actively engaged in international exhibitions and trade shows to amplify our brand visibility and strengthen our customer connections. These efforts have not only assisted us in showcasing our state-of-the-art products, but have also positioned us ahead of evolving market trends.

### Future outlook

In the years ahead, we plan on enhancing the capacity utilisation of our new quartz unit, while ensuring maximum efficiency and productivity. As we are cognisant of the fact that rising interest rates, higher inflation and declining consumer confidence may continue to impact demand momentum in the near term, we plan on overcoming these challenges through consistent innovation and strategic decision-making.

### Gratitude

I would like to take this opportunity to thank all my colleagues, whose dedication and perseverance have been essential to our accomplishments. Additionally, I want to convey how thankful I am for our esteemed board members and Bankers for their valuable guidance and assistance. Last but not least, allow me to express my gratitude to you, dear valued shareholders, for your consistent trust and cooperation throughout our journey.

With best regards,

**Gautam Chand Jain**

Chairman & Managing Director

# Our reach



\*This includes Granite and Quartz business reach.