



02<sup>nd</sup> June, 2025

To  
The Deputy General Manager  
BSE Limited  
1<sup>st</sup> Floor, New Trading Ring  
Rotunda Building, P.J. Towers  
Dalal Street, Mumbai – 400001  
Maharashtra, India  
**Scrip Code: 532486**

To  
The Listing Manager  
National Stock Exchange of India Ltd.  
Exchange Plaza  
Bandra (East)  
Mumbai – 400051  
Maharashtra, India  
**Symbol: POKARNA**

Dear Sir/Madam,

**Sub: Transcript of the Analyst/Institutional Investor Meetings/ Earnings Call under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 (“Listing Regulations”).**

Reference the captioned subject, this is further to our letter dated May 22, 2025 and May 30, 2025, with respect to the Q4FY25 Earnings Con-Call with respect to the Audited Standalone and Consolidated Financial Results of the Company for the Fourth Quarter and Year ended on March 31, 2025.

The aforesaid Transcript will also be uploaded on the website of the Company i.e. <https://www.pokarna.com/>

This is for your information and record.

Thanking You,  
Yours Faithfully,  
**For Pokarna Limited**

**Pratima Khandu Gulankar**  
Company Secretary & Compliance Officer  
ACS:66794

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## **Pokarna Limited** **Q4 FY'25 Earnings Conference Call** **May 30, 2025**

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**Moderator:** Ladies and gentlemen, good day and welcome to Pokarna Limited Earnings Conference Call.

As a reminder, all participants' lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing '\*' then '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Suraj Digawalekar from CDR India. Thank you. And over to you, Mr. Suraj Digawalekar.

**Suraj Digawalekar:** Thank you, Renju. Good morning, everyone, and welcome to Pokarna Limited's Q4 FY '25 Earnings Conference Call.

We have with us today Mr. Gautam Chand Jain – Chairman and Managing Director; Mr. Paras Jain – Chief Executive Officer at Pokarna Engineered Stone Limited; and Mr. Vishwanatha Reddy – Chief Financial Officer.

Before we begin, I would like to mention that some of the statements made in today's discussion may be looking forward in nature, and may involve risks and uncertainties.

I now invite Mr. Paras Jain to open proceedings of the call, and share his perspective of the business and outlook. Thank you. And over to you, Paras.

**Paras Jain:** Thanks, Suraj. Thank you for joining us today. It's always a privilege to connect with our investor community and share our performance, progress, and perspective. I'm pleased to report that Pokarna Engineered Stone Limited, our wholly owned subsidiary and the primary growth engine of our consolidated business - has closed FY25 on a strong note, both operationally and financially, despite an exceptionally volatile global environment. Let me begin with the key consolidated financial highlights.



#### **Q4 FY25 vs Q4 FY24**

- Revenue: ₹262.68 Crore, up 63% YoY
- EBITDA: ₹104.59 Crore, up 139% YoY
- EBIT: ₹92.90 Crore, up 185% YoY
- PAT: ₹58.90 Crore, up 280% YoY
- EPS: ₹19.00, up 280% YoY

#### **FY25 vs FY24 (Full Year)**

- Revenue: ₹930.13 Crore, up 35.34% YoY
- EBITDA: ₹347.04 Crore, up 56.90% YoY
- EBIT: ₹302.86 Crore, up 69.57% YoY
- PAT: ₹187.54 Crore, up 114.68% YoY
- EPS: ₹60.49, up 114.68% YoY

This outcome reflects disciplined execution, through focused sales strategy, cost control, and operational efficiency at PESL. Our ability to scale premium product lines and optimise manufacturing continues to create tangible results.

#### **Strategic & Operational Update**

During the year, we capitalised our KREOS line, adding new technological capability to our platform. While it did not contribute to revenue in FY25, we expect a gradual ramp-up starting H2 FY26 as we introduce new design-led offerings. Our Chromia line remains under implementation and will bring high-resolution design printing capabilities upon completion.

We're also seeing increased customer demand for low crystalline silica products. This is a directional shift in the industry, and we have to develop in investing accordingly, developing a stable raw material supply chain and formulating solutions that meet both safety and design expectations. This is a structural transition and we're treating it with the seriousness it deserves.

#### **Tariff & Trade Environment**

Let me now address what remains the most significant overhang on the business - U.S. trade policy. Over the past few months, we've witnessed a chaotic and fast-evolving sequence of events:

- Sweeping tariffs were announced, covering nearly all product categories and most exporting countries, including India.
- These were subsequently deferred, creating temporary ambiguity.

Just day before yesterday, the U.S. Court of International Trade issued a legal stay on the implementation, only for the U.S. government to immediately file an appeal and get a legal on it.

This environment is no longer just about duties; it's about deep uncertainty. And that uncertainty is paralyzing business decisions. Distributors are



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deferring orders. Fabricators are holding back inventory. Homeowners are delaying remodels. The lack of clarity has created real friction across the value chain. Until a stable resolution emerges, this disruption is expected to persist. At this time, any forward-looking assumption on U.S. trade actions would be speculative, and I will not offer projections where visibility doesn't exist.

### **Granite Business**

Our granite segment remains under pressure, with current performance reflecting continued weakness in market demand. To navigate this, we are:

- Enforcing strict cost controls to protect margins.
- Actively exploring new channels and revenue streams to rebalance the mix.
- While the near-term outlook remains cautious, our operational discipline here remains intact.

### **Looking Ahead**

Before we open it up for questions, allow me to leave you with a few grounded reflections.

As we enter FY26, we do so with our eyes wide open. What we achieved in FY25 was the result of discipline, not momentum and while we're proud of the outcome, we do not confuse it with predictability. The world we're operating in is changing in fundamental ways. This is not just another business cycle, it feels more like a shifting of tectonic plates beneath the surface of global trade, regulation, and demand behaviour.

Especially in our core market - the U.S., the very framework of trade seems to be evolving in real time. Announcements are made, then deferred and then legally challenged. And in the middle of all this, businesses like ours are left to make decisions with imperfect information and compressed timelines.

It reminds me of something I learned early in my career: when the road ahead is unclear, speed is not your friend, judgment is. You don't accelerate into the fog. You slow down, hold your line, and focus on what's right in front of you. That's the posture we're taking today. Our focus will remain on doing the fundamentals well: serving our customers, running a tight ship, controlling what we can, and preserving flexibility where we must. We will not overreach. We will not overpromise or offer rosy narratives. And we certainly will not confuse hope with strategy. I'm here to be a responsible steward of the business, especially when visibility is low and volatility remains high.

Thank you for your trust, your patience, and your continued interest in our journey.

We are now happy to take your questions.

**Moderator:**

Thank you. The first question comes from the line of Pranav Mehta from Equirus Securities.



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- Pranav Mehta:** Yes. Thank you. Good morning, sir, and congratulations on a very good set of numbers. Sir, I wanted to understand on one thing. In 4Q Results, how much of the contribution would be there, because let's say, the preponing by the importers, because of the impending tariffs that were introduced in April? So do you think that the numbers would be having preponing of orders by the importers, particularly in U.S. market?
- Paras Jain:** So we actually are not privy to it, but there could be some bit of it. But I don't think they would be large, because in general the market has been in flat mode. So we don't expect that people would have just bought, in anticipation of tariffs coming. Because what tariffs are coming, nobody could speculate at that point in time. So I don't think that there will be a lot of demand coming just because of the tariffs.
- Pranav Mehta:** Okay, sir. And sir, we have seen that in 1Q CY '25, the imports into U.S. have been very strong on the quartz surface side. So have you seen that intensity playing out in April, and to some extent, May year-to-month as well?
- Paras Jain:** I think the intensity up to March was different. And the intensity following March is relatively different is our expectation, and that's what we are saying. And also one has to look at the average input price as well. It's not just the quantity, but also the value around it.
- Pranav Mehta:** Okay, sir. And sir, my second question was on this debt. So we have brought down debt considerably. Now with the new plant coming in, what kind of debt you are expecting for FY '26 and '27.
- Viswanatha Reddy:** So say, total debt this year-end may be around INR 450 crore.
- Paras Jain:** Excluding working capital.
- Moderator:** Thank you. Mr. Mehta, please rejoin the queue for more questions. Next question comes from the line of Ankush Agrawal from Surge Capital.
- Ankush Agrawal:** Yes. Thanks for taking my question. Sir, like you have highlighted that, Q4, you did saw a lot of prebuying. At least that is what your understanding is, but post tariffs getting implemented, what's the change in behavior? Are distributors holding onto fresh orders given, I think, in your business line there would be a large lead time between the order coming in, and the actual delivery? And the taxation is not clear by the time the order is delivered. So how is Q1 playing out in terms of say the buying that you are seeing?
- Paras Jain:** So if you had followed my opening remarks, I said that the tariffs definitely brought uncertainty. And in general, the market, whether the distributors, whether the fabricators or the homeowners, all are deferring their purchases to some extent. That's what we are seeing in the demand pattern.
- Ankush Agrawal:** Okay, but would it be possible for you to give some more color on the what's the quantum? Like, there's deferment that you are clear. That side is clear, but if you can highlight. Because obviously, FY '26 guidance, you can't give at the



moment. But for the coming quarter at least, if you can give some color on how things are looking.

**Paras Jain:** I think it would be premature to give it, but I can tell you that definitely there is going to be a good amount of deference.

**Ankush Agrawal:** Okay. And secondly, on Chromia, I think we were supposed to commercialize the plant by say end of Q4. That is still under implementation, so is it like strategically we have deferred it? Or is it taking more time?

**Gautam Chand Jain:** No, no. The line is already installed. We are just waiting for some technicians for some practical reasons, who are not able to come, to give final touches. Because we have already done sample production, but it requires some more technical correction, which we are waiting for the technicians to come this weekend. And probably, next 10 days, that should be operational.

**Moderator:** Thank you. Mr. Agrawal, please rejoin the queue for more questions. Next question comes from the line of Naman Parmar from Niveshaay Investment Advisors.

**Naman Parmar:** Good morning, sir. Thank you so much for the opportunity. So firstly, I wanted to understand, in the current quarters, there has been a margin expansion of around 30% to 40%. So you were guiding around 34% to 35%. So what will be the margin guidance going forward?

**Paras Jain:** If you have been following us, on the previous call also, we have maintained that around 35% is the margin to look at, but then it is subject to both contraction and expansion depending upon how the product mix plays out and how hospitality or our cut-to-size business in general in the export market likely plays out. So in the quarter of Q4, we have actually had a good amount of cut-to-size exports also happening, which also led to the margin expansion, apart from the in-general product mix.

**Naman Parmar:** Majorly, realization has increased in the current quarter? because Chromia and KREOS line also not yet commercialized. So what was the reason for your upgrade in margin?

**Paras Jain:** And as I said, KREOS was capitalized, but we did not get any meaningful revenue out of it. And Chromia was not capitalized. So the existing product mix, see we have products which we sell at \$5, there are products which we sell also at \$13. So depending upon what mix of the product gets ordered and sold during that particular quarter, can actually impact the margins.

And also the cut-to-size business, which we have said in the past, that I think I can say that the last quarter was one of the best quarters for the cut-to-size exports what we did. So that was also an important contributing factor for the overall margin expansion.

**Naman Parmar:** Okay, understood. And secondly, how is the demand outlook on the domestic side? Even though we are majorly towards export in U.S. only. But do you think there has been a pickup in the domestic side and...



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**Gautam Chand Jain:** Yes. Gradually, there is growth in the domestic market. And we have already started appointing a few distributors in the metro towns. And you will see better growth coming in this present quarter and also the present financial year.

**Moderator:** Thank you.

Next question comes from the line of Dixit Doshi from Whitestone Financial Advisors Private Limited.

**Dixit Doshi:** Yes. Thanks for the opportunity. My first question is, let's say, just before the tariff as of, let's say, 1st of April 2025, we might be having some orders in hand, which will get delivered over next couple of months. So then on that product, how the tariffs will work, whether we will have to digest that impact, or the distributor. How things will work?

**Paras Jain:** See, it's a business decision. It's not a general statement. Depending upon the product, depending upon the customer, depending upon the relationship, we will have to figure out something, because in these times, if you simply take a particular position, then it's very difficult. So if we may have to absorb, we will absorb.

**Dixit Doshi:** But will we able to pass on some impact? Or do you feel that that will lead to margin pressure in the Q1?

**Paras Jain:** See, it depends upon the relationship, the product and what level of orders they have placed. So there will be some absorption which will happen, but it does not necessarily mean it will be a complete absorption.

**Moderator:** Thank you. Next question comes from the line of Naman Parmar from Niveshaay Investment Advisors.

**Naman Parmar:** Thank you for allowing a follow-up question. I just wanted to know on the tariff side. So after the 90 days, how much would be the tariff on the quartz surface product on the basis of reciprocal?

**Paras Jain:** I think this is a question which Trump and Mr. Modi can only answer, I am not privy to it because it's something between the countries to negotiate and settle. And I don't think even both of them probably would be knowing at this point in time where we are heading. So when I know, and you will also be knowing the same thing, because it's going to be from the newspaper and the media.

**Naman Parmar:** Okay. Thank you, sir.

**Moderator:** Thank you. Next question comes from the line of Dixit Doshi from Whitestone Financial Advisors Private Limited.

**Dixit Doshi:** Yes. Thanks for the opportunity, again. So one clarification. You mentioned that KREOS has started, but it will start contribution into the revenue from H2, nothing in the H1?



**Paras Jain:** It could be there but marginally, I am saying meaningful contribution.

**Dixit Doshi:** Okay. So even for Chromia also it will be more like H2 only.

**Gautam Chand Jain:** See, but basically these are all different products being differentiated. It does not mean the volume growth will come additional. These are just additional products, which we will be making on these 2 machines. On the products which we already make, the volume will remain more or less same.

**Dixit Doshi:** Yes.

**Gautam Chand Jain:** So maybe the margins may differ a little bit. The offering to the market will be different products coming from these 2 machines.

**Dixit Doshi:** Yes. So I was asking, due to all the uncertainty prevailing currently, still we are keeping our CAPEX plan on, right, the INR 440 crore. As of now, we are not planning any deferment.

**Gautam Chand Jain:** No, no. CAPEX is already committed. LCs have been opened. Machines have been ordered. And machines will start flowing in next quarter, so we cannot defer.

**Dixit Doshi:** Okay, okay. And one last question, bookkeeping side. This year, if we see year-on-year, the right-of-use asset has gone up significantly from INR 18 crore to INR 45 crore. So why is that?

**Gautam Jain:** No, no. This is not a write-off. Actually we have rented a new property, and as per the accounting norms, we are supposed to capitalize. We have rented a new corporate office. And the commitment on the new rentals are as per our new norms, we have to capitalize that.

**Paras Jain:** It's a long-term lease, basically.

**Moderator:** Thank you. Next question comes from the line of Rahul Kumar from Vaikarya.

**Rahul Kumar:** Hi. Can you tell us if currently, whatever orders you are supplying, with 10% tariff which is applicable during this interim period, who is absorbing that, buyers, you? Can you give us that sense?

**Gautam Chand Jain:** Tariff is implemented for the people or the customers who import the material, not on us, so the customer is obliged to pay the import duties when they import the materials.

**Rahul Kumar:** Right. So your realized price before this tariff and now, so far, is same. Volumes may be affected because of the uncertainty you are facing?

**Gautam Chand Jain:** Yes.

**Rahul Kumar:** And who are the other countries who supply your kind of products into U.S.? Like, who are your key competitors?





**Gautam Chand Jain:** The tariffs are almost on all countries who export such products.

**Rahul Kumar:** Right. And who are these other countries?

**Gautam Chand Jain:** There are many countries. The countries include Vietnam, Thailand, where the tariffs are even higher than India.

**Rahul Kumar:** And does it get manufactured in U.S., your kind of product? Or any kind of tariff like, what is the differential in terms of manufacturing costs or any other parameters which will be difficult for them to manufacture back in the U.S.?

**Paras Jain:** This product is manufactured in different continents, like Asia, Europe, North America, and also in South America. I think probably Australia and Antarctica are probably not manufacturing it. And they're importing, if they are using that product. So there are also manufacturing plants in America. And these were even in the pre-tariff regime and are continuing to expand in the post-tariff regime as well.

So there is definitely, I believe, a cost-of-production difference between producing in America and India or any other part of the world, for that matter. That is the reason the import quantity into U.S. is higher than the local production capacity. Now how much the cost differs is completely a privy information, which we are not privy to, because every manufacturer has its own cost of production depending upon what their operational efficiencies are.

**Moderator:** Thank you. Next question comes from the line of Ankush Agrawal from Surge Capital.

**Ankush Agrawal:** Hi, sir. Thanks for the follow-up. So sir, in our Q3 con call, we had sort of indicated that for FY '26, even though we won't necessarily have a new nameplate capacity, but due to some operational efficiencies like reduction in cycle time, we have been able to increase some throughput. And that will give some fillip to top line. So are we still on that, and if you can quantify what kind of increased throughput we can expect.

**Paras Jain:** Yes. As I told you in one of my opening remarks, considering the current uncertainties, we are not providing any projections into the future. I think, once we have more clarity on how the tariff environment is going to pan out, and how the demand scenario is going to pan out, we will probably talk and give more color on your question.

**Ankush Agrawal:** Yes, I got it. I am not saying like how much we will be able to sell but how much we will be able to increase the throughput, like that you can cater if the demand comes. Like, what revenue we will achieve obviously is very uncertain, but based on your internal improvement that you are targeting?

**Gautam Chand Jain:** It all depends on the market. This question is very vague.

**Paras Jain:** I will tell you why it is vague also. See. The throughput is the function of how efficiently we can produce. If I get a short-cycle orders versus a long-cycle orders, the throughput is going to completely change. So I don't want to give a



theoretical number, and again, create a confusion for the next call. So I would rather not make any comment on it. And I hope you understand that.

Thank you so much.

**Ankush Agrawal:** Okay, yes, yes.

**Moderator:** Next question comes from the line of Dixit Doshi from Whitestone Financial Advisors Private Limited.

**Dixit Doshi:** Yes. Thanks for the opportunity again. Just one question. So just to understand, let's say the 10% tariff remains even after the 90 days and that remains the final. And once the uncertainty is over, so obviously the distributors and the ultimate retailers will have to take some price hikes. So assuming, let's say, the import price is \$100, what would be the retail price? Is it 3x, 4x? If you can broadly touch upon.

**Paras Jain:** It depends upon the product. And also, if you have been following some of the U.S. building material companies like, for example, let's say, Home Depot. Home Depot announced that "we are not going to make any price increase." So it's not that price increase will typically be done by all and across every product. It is a very specific thing to a particular industry, product and segment. So that is one.

Secondly, the product is sold for the end consumer. Suppose the same product which is probably sold in \$5, \$6 a square foot in export market. By the time it lands at the consumer home, it can be anywhere between \$40 to \$50. And if the product goes up to, let us say, \$10, \$12 on FOB, it can be around \$120 for the installed. But then you have to understand there are several layers by the time, why it becomes \$60 or \$120. Because there is a distributor. There is a fabricator. There is a component which everybody has to take care. And then there are taxes involved, the installation and everything, so basically so...

**Gautam Chand Jain:** Wastage, transportation...

**Paras Jain:** The end value, from \$6 to \$60 or from \$10 to \$100, which is probably 10x to 12x, is all depends upon which market you are operating, from whom you are buying. Because what you are buying directly versus whether you are buying from a Home Depot and what type of material you are buying. So it can be, on an average, 8x to 10x.

**Dixit Doshi:** Okay, I understand. And so my question was due to, let's say if it is a 10% tariff, then it might be possible that for to earn the same amount of profit, a 2%, 3% hike on the end retail price will be sufficient to compensate. So that's why I am asking.

**Paras Jain:** This is something which is very tricky to answer, because everybody has their own cost metrics, and to what extent they are going to pass on. So it's not that just because when you are saying a 10% tariff, if you do a 3% increase, it does not necessarily mean that you are going to get 10% out of it.



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**Dixit Doshi:** Okay.

**Paras Jain:** But at the end of the day, you don't want to lose what dollars you are earning today. So if you are losing \$1 and you say that, I want to cover only \$0.30, then that \$0.70 is still lost.

**Gautam Chand Jain:** I think, in our opinion let's not discuss tariffs, because this is not in our hands, nor our importers' hands. So we will have to cross the bridge when we come across, whatever the tariffs will come. We don't know how the importer will absorb, how much price addition he will do or he will not do, so let's not discuss what is not in our control...

**Paras Jain:** I think it's more of a speculation. We can build the excess model around it, but probably it will not really be the right picture to do it.

**Dixit Doshi:** Yes. Yes. Understood. Thank you. That's it from my side.

**Paras Jain:** Thank you.

**Moderator:** Thank you. Ladies and gentlemen, as there are no further questions, we have reached the end of the question-and-answer session. I would now like to hand the conference over to the management for closing comments.

**Paras Jain:** Thank you so much. And we look forward to connecting again for the next quarter. Have a great day.

