



# Aro granite industries Ltd.

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Date: November 1, 2019

Bombay Stock Exchange Limited  
Department of Corporate Services  
Floor 25, P.J. Towers  
Dalal Street  
Mumbai 400001  
**(SCRIP CODE: 513729)**

National Stock Exchange of India Limited  
Listing Department  
5<sup>th</sup> Floor, Exchange Plaza  
Bandra (E)  
Mumbai 400051  
**(SCRIP CODE: AROGRANITE/EQ)**

## Sub.: Investor Presentation of the Company

Dear Sir,

Please find enclosed herewith a copy of Investor Presentation of the Company for your information and record please.

Thanking You

Yours faithfully  
For Aro granite industries ltd.

  
Company Secretary

Encl.: a/a

CORP. OFF. & WORKS :

KONERIPALLI VILLAGE, SHOOLAGIRI (VIA), HOSUR TALUK - 635 117, KRISHNAGIRI DIST. TAMIL NADU, INDIA.  
TEL : 91 - 4344 - 252100 FAX : 91 - 4344 - 252217 E-mail : aro@arotile.com Web : www.arotile.com  
CIN : L74899DL1988PLC031510





# Investor Update – For the Quarter Ending 30<sup>th</sup> September 2019

October 2019



**Aro granite industries Ltd.**

An 100% Export Oriented Unit



# Disclaimer

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Certain statements in this communication may be considered as 'forward looking statements' within the meaning of applicable law and regulations. These forward-looking statements involves a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward looking statements, important development that could affect the company's operations include changes in the industry structure, significant changes in politics and economic environment in India and overseas, tax laws, import duties, litigation and labour relations.

Aro granite industries limited does not undertake to revise any forward-looking statement that may be made from time to time by or on behalf of the company.

Aro granite industries limited will not be in any way responsible for any action taken based on such statement and undertakes no obligation to publicly update these forward looking statement to reflect subsequent event or circumstances.

# Company Snapshot



Started commercial operation in 1991



Largest processed Granite exporter out of India

**100% EOU**

100% export oriented, located at Hosur, Tamil Nadu

**SEZ**

Special Economic Zone Unit Located in Mahindra World City, Jaipur



Supply of over 100 shades of Granite from India and other countries



Export to more than 50 countries



Installed capacity

Granite Slab:  
735,000 Square Meters

Granite Tiles:  
360,000 Square Meters



Listed on NSE Since 2007 & BSE Since 1997 in India

# Indian Granite Industry

**20%**

Accounts for 20% of the world's granite resources

**66%**

Has more than 66% of around 300 shades available in the world

**97%**

97% of the total granite resources are untapped

**7%**

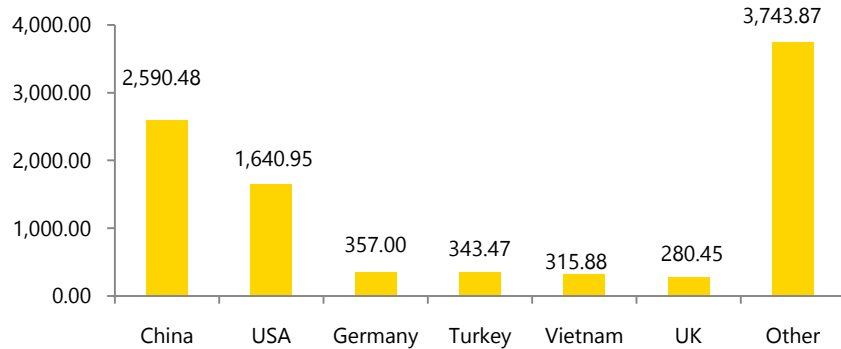
7% of the total granite resources are black granite which has huge demand

**9%**

Accounts for more than 9% of the world stone exports

## India Granite Export FY 2015-16

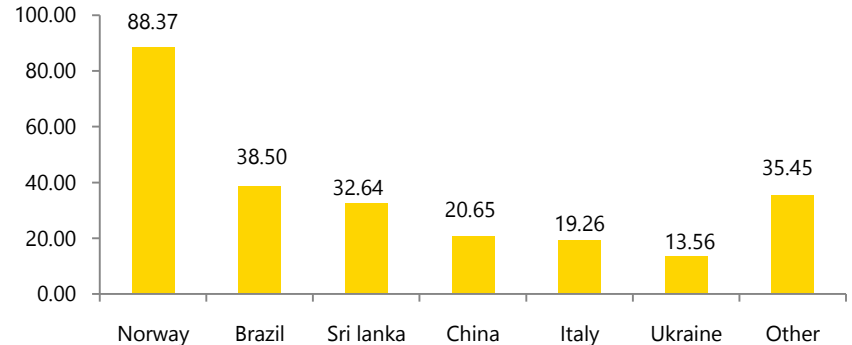
Figures in Rs. Cr



Source - Indian Minerals Yearbook 2016

## India Granite Import FY 2015-16

Figures in Rs. Cr



Source - Indian Minerals Yearbook 2016

# Indian Granite Industry



China is largest market for Indian raw granite block, 28 % of the total granite were exported to China

Large players finished products are

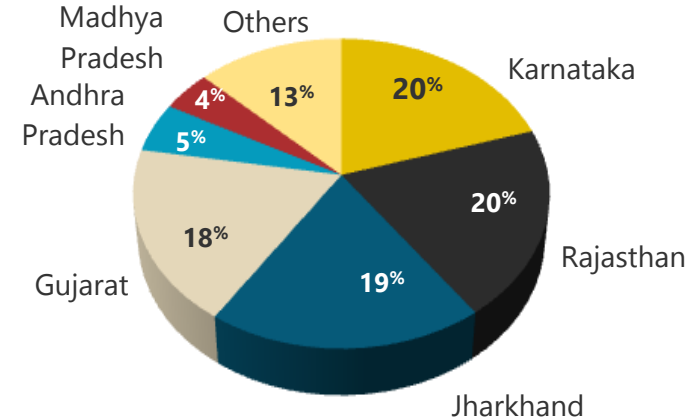
Aro granite industries limited

Pokarna Ltd

Bannari Amman Sugars Ltd

Pacific Industries Ltd

## Statewise Granite Reserves



Source – Indian Mineral Yearbook 2018

# Hosur Infrastructure

## Slab Plant

Jumbomatic Gang saws	12
72 Wire Multi Wire Saw	1
20 Head Polishing Line	3
12 head Grinding line	1
Flaming machine	1
Epoxy lines	3

## Cut to Size

CNC Machine	2
Edge Polishing	1

## Tile Plant

53 Blade cutting Centre	4
Topping Centre	1
Calibration Line	1
Epoxy line	1
20 Head Polishing line	1
Cross cutting machine	4
Cleft/Split Machine	1



# HOSUR – Slabs

- 12 super Jumbo Matic Gangsaws
- 1x72 wire Multi Wire
- Processing over 100 colours of Granite and Quartzite
- Raw Quartzite sourced from India, Norway, Brazil, Finland, Africa, Ukraine and Iran





# HOSUR – Gangsaws & Multi Wire Cutter



- 12 x Super Jumbo Gangsaws (4.5m)
- Suited for Cutting Most Granites



- 1 x Multi Wire (72 Wire)
- Suited for Fragile Granites, Quartzites, and Special Colours

# HOSUR – Tiles

- 4 nos. Multi Blade Block Cutting Centres
- Calibrated and Chemfered tiles
- Over 25 years of experience in tile



# HOSUR -Ware House / Showroom

120,000 Square Feet of Display Space



# Financial Performance

Particulars In Rs. Cr	Q1 FY19	Q2 FY19	Q3 FY19	Q4 FY19	Q1 FY20	Q2 FY20
Sales	43.75	41.94	39.78	46.97	48.28	43.30
Operating Exp	38.15	37.38	32.36	38.69	41.51	38.89
EBITDA	5.60	4.56	7.42	8.28	6.91	4.54
PAT	1.54	0.53	4.16	3.46	2.40	0.08
EBITDA Margins (in %)	12.80%	10.87%	18.65%	17.62%	14.32%	10.48%
Net Profit/Loss Margins (in %)	3.52%	1.26%	10.47%	7.37%	4.98%	0.18%

# Financial Highlights

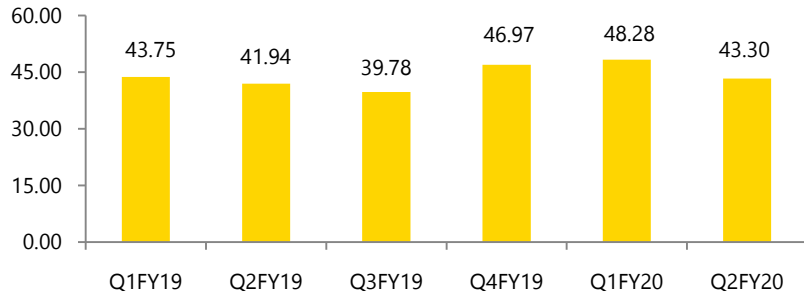
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- Sales Increased by 3.24% From 41.94 Cr in Q2 FY2018-19 to 43.30 Cr in Q2 FY2019-20
- EBITDA Decreased By 0.44% From 4.56 Cr in Q2 FY2018-19 to 4.54 Cr in Q2 FY2019-20
- PAT Decreased By 84.91% From 0.53 Cr in Q2 FY2018-19 to 0.08 Cr in Q2 FY2019-20
- EBITDA Margins Decreased By 3.59% From 10.87% in Q2 FY2018-19 to 10.48% in Q2 FY2019-20

# Financial Overview (Quarterly)

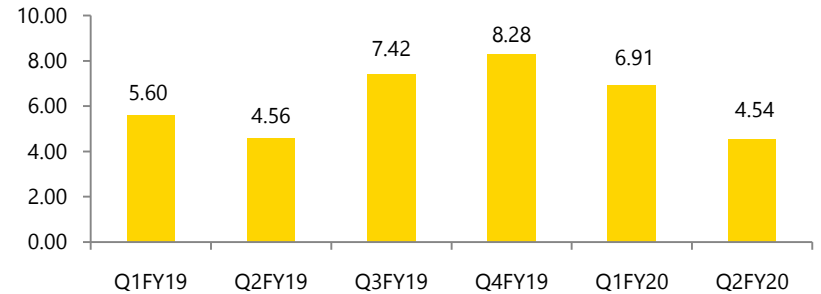
## Revenues from operations

Figures in INR Cr.



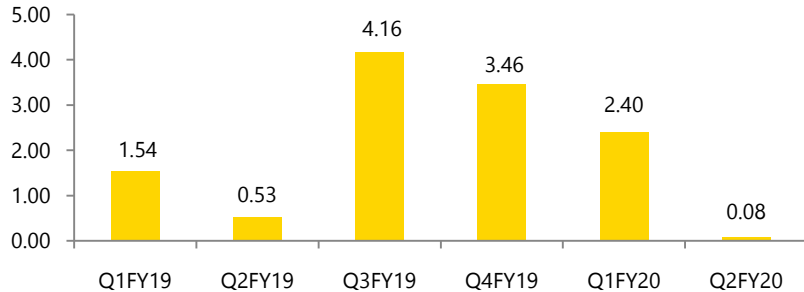
## EBITDA

Figures in INR Cr.

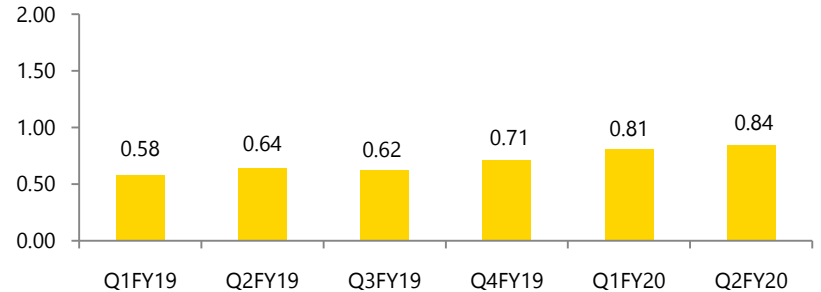


## Profit After Tax

Figures in INR Cr.



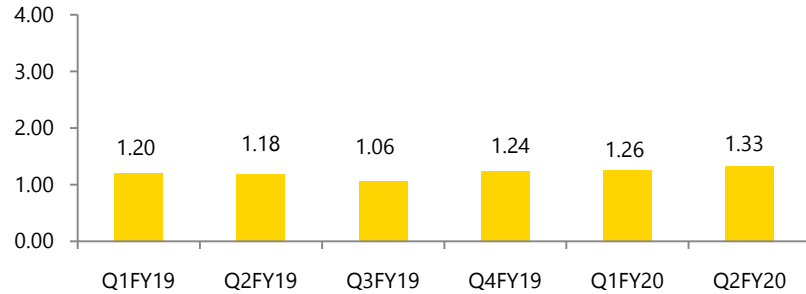
## Debt to Equity Ratio



# Financial Overview (Quarterly)

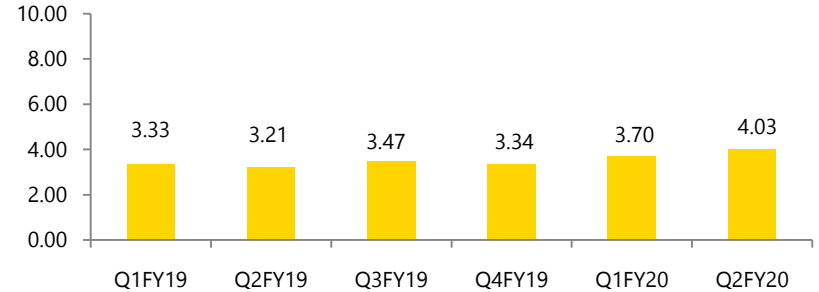
## Sales Volume (Square Meters)

Figures in Lakh Sqm.



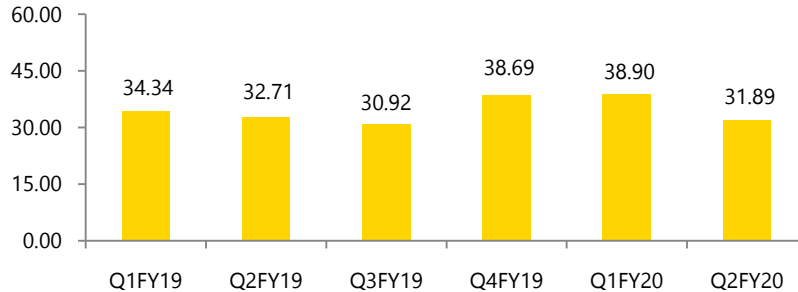
## Raw Material Consumption (Cubic Meters)

Figures in '000



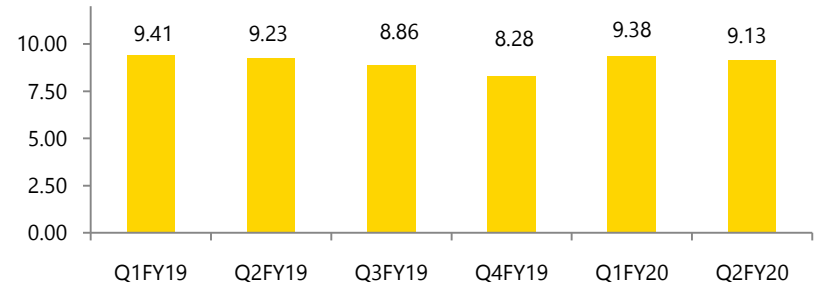
## Segment Sales - Slabs

Figures in INR Cr.



## Segment Sales - Tiles

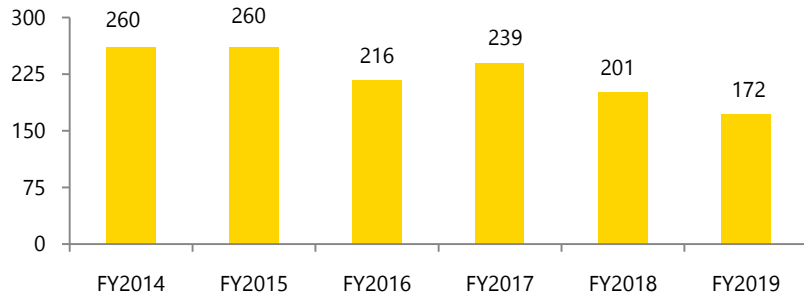
Figures in INR Cr.



# Financial Overview (Annual)

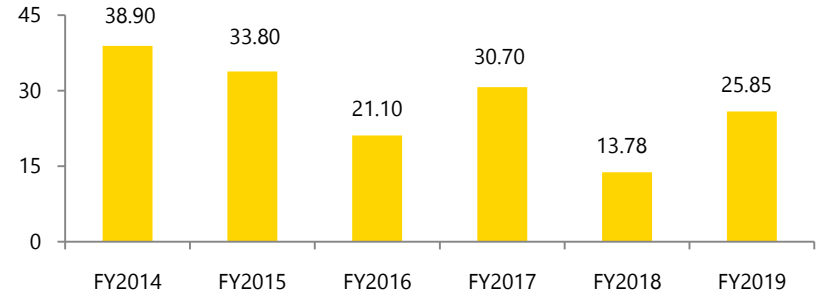
## Revenues

Figures in INR Cr.



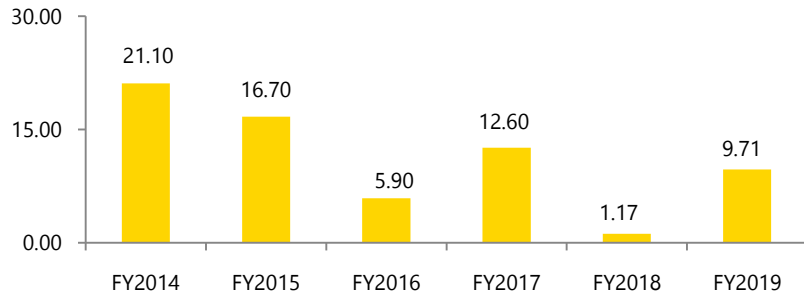
## EBITDA

Figures in INR

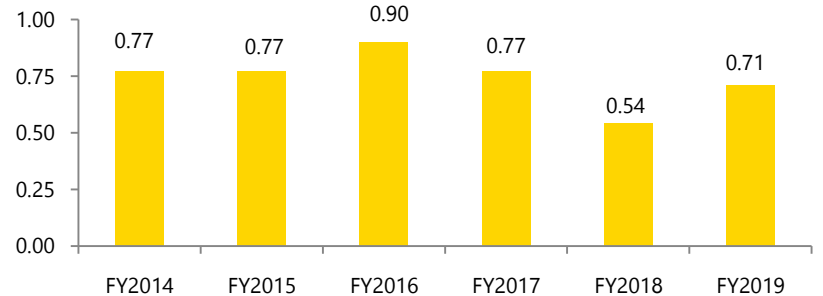


## Profit After Tax

Figures in INR Cr.



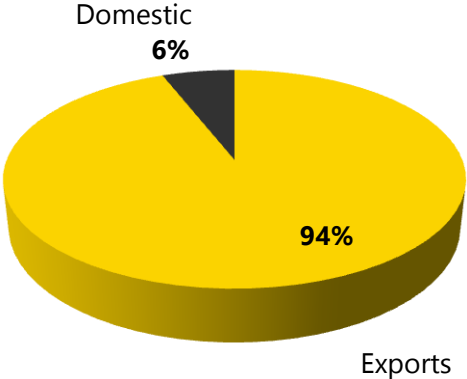
## Debt to Equity Ratio



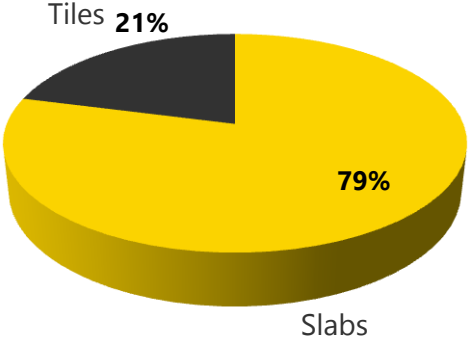


# Sales Breakup FY2019

## Exports and Domestic sales



## Segments



# New Plant (Jaipur)

- A new Plant in Jaipur with one (72 wire) Multi Wire has been commissioned
- The Plant capacity is 150,000m<sup>2</sup> per Annum
- Ideally located to take advantage of transportation from Quarries
- The Plant is set up in Mahindra SEZ with GST and Tax Benefits



- Commercial production has started in the plant from August 2019



# New Processing Facility (Quartz)

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- Company is setting up processing facility for Quartz in its existing plant in Hosur
- The Quartz Plant capacity is 180,000 m<sup>2</sup> per Annum in the first phase
- Aro's existing infrastructure for polishing, finishing and packing shall be commonly used for quartz and Granite processing
- Erection work has started from August 2019, with most of the machinery dispatched to the plant
- The plant is expected be operational by Q2FY2020-21

# Outlook

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- The production is constrained by huge shortage of raw blocks. This has resulted in limiting the production at the main plant
- The company is focusing on higher margin products. It has stopped processing products where the margins are low or they are slow moving
- The operating environment for the granite industry in India is quite challenging due to shortage of raw blocks and limited operating quarries. Many quarries have closed across India due to the lack of valid Environmental Clearance (EC).
- The company has opened the new facility at Jaipur, Rajasthan which became operational in Aug 2019. The plant is expected to break even in the first year of operation, with the biggest advantage being the reduction in transportation costs
- India granite exporters are facing competition from engineered stone. This has impacted the demand of granite and other natural stones
- The company is foraying into engineered stone manufacturing and expects to commission a new line in its existing site in Hosur by Q2 FY2021

## For any further information, please contact

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An 100% Export Oriented Unit

**Registered Office:** #1001, 10th Floor, DLF Tower A, Jasola , New Delhi - 110 025. (INDIA)

**Corporate Office & Works:** Koneripalli Village, Shoolagiri (Via), Hosur ( TK) - 635 117, Tamilnadu, INDIA.

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