



Aro granite industries Ltd.

Regd. Office : 1001, 10th Floor, DLF Tower A, Jasola, New Delhi - 110 025.
Phone : 91-11- 41686169, Fax : 91-11- 26941984, E-mail : arodelhi@arotile.com

Date: June 29, 2020

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
5th 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 Year Ending 31st March 2020

June 2020



Aro granite industries ltd.

An 100% Export Oriented Unit



Disclaimer

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 42 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



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

Large players finished products are

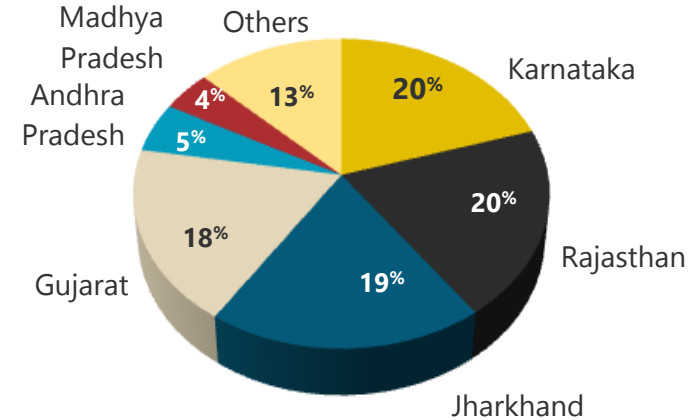
Aro granite industries limited

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 – 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 Centers
- Calibrated and Chemfered tiles
- Over 25 years of experience in tile

In 10mm, 13mm, 15mm, 20mm and 30mm	In 13mm, 15mm and 20mm	Special Sizes
305 x 305 mm		400 x 800 mm
305 x 610 mm	600 x 600 mm	600 x 900 mm
400 x 400 mm	610 x 610 mm	600 x 1200 mm
400 x 600 mm		300 x 900 mm
457 x 457 mm		



HOSUR - Warehouse / Showroom

120,000 Square Feet of Display Space



Jaipur Plant

- We exported our first container (August 1, 2019) from Jaipur about 10 months after we started the construction of the SEZ Unit
- Installed capacity of plant is 1,50,000 sq mtr per annum

Slab Plant

72 Wire Multi Wire Saw	1
20 Head Polishing Line	1
12 head Grinding line	1
Epoxy lines	2
CNC Machine	1



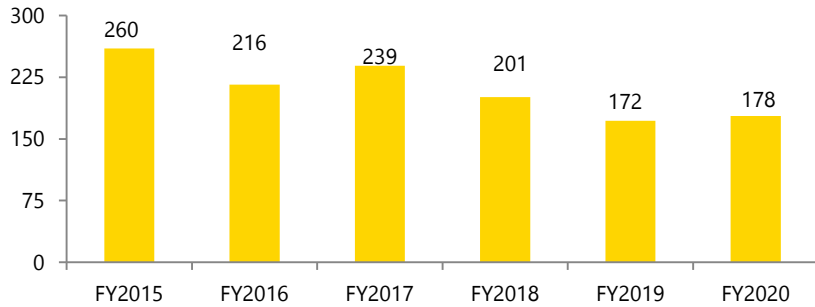
Financial Performance (Annual)

Particulars In Rs. Cr	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Sales	254.78	215.59	238.65	200.72	172.44	177.71
Operating Exp	220.97	194.47	207.97	186.94	151.92	159.19
EBITDA	33.81	21.12	30.68	13.78	25.85	20.35
PAT	16.69	5.86	12.62	1.17	9.71	3.61
EBITDA Margins (in %)	15.30%	10.86%	14.75%	7.37%	17.02%	12.78%
Net Profit/Loss Margins (in %)	7.55%	3.01%	6.07%	0.63%	6.39%	2.27%

Financial Overview (Annual)

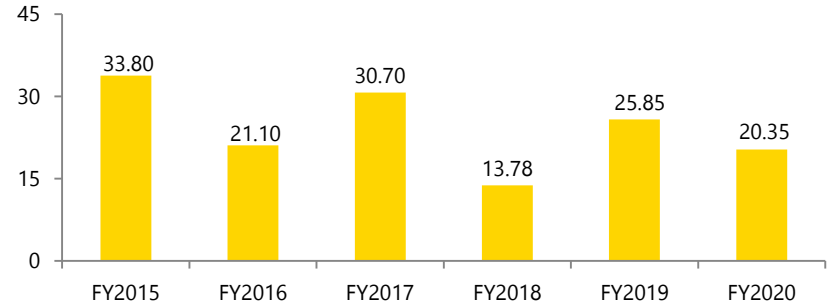
Revenues

Figures in INR Cr.



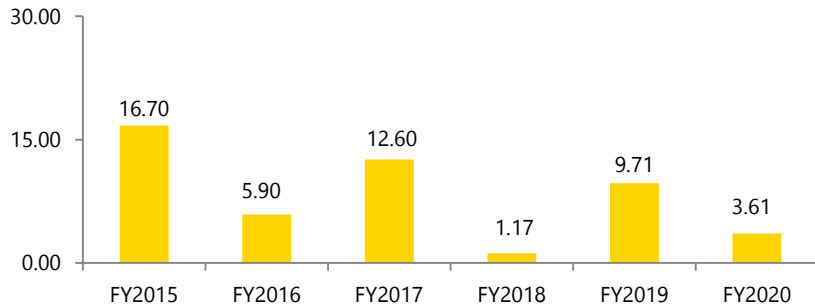
EBITDA

Figures in INR

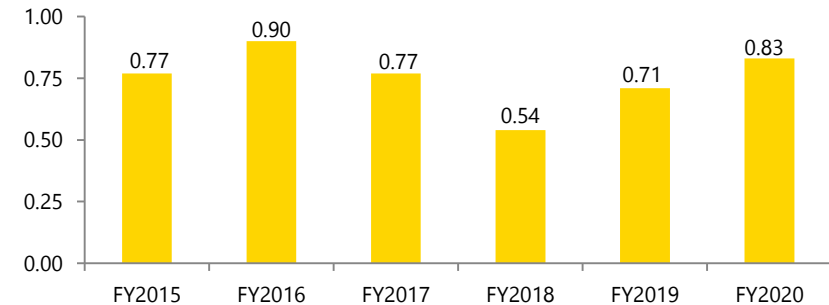


Profit After Tax

Figures in INR Cr.



Debt to Equity Ratio



Yearly Financial Highlights (Annual)

- Sales increased by 3.06% From Rs. 172.44 Cr in FY2018-19 to Rs. 177.72Cr in FY2019-20
- EBITDA Decreased By 21.29% From Rs. 25.85 Cr in FY2018-19 to Rs. 20.35Cr in FY2019-20
- PAT Decreased By 62.87% From Rs. 9.71 Cr in FY2018-19 to Rs. 3.61Cr in FY2019-20
- EBITDA Margins Decreased From 14.99% in FY2018-19 to 11.45% in FY2019-20
- Sales Volume increased by 6.19% from 4.69 lakh sq. Meter in FY2018-19 to 4.98 lakh sq. Meter in FY2019-20
- Debt equity ratio improved from 0.87 in FY2018-19 to 0.83 in FY2019-20

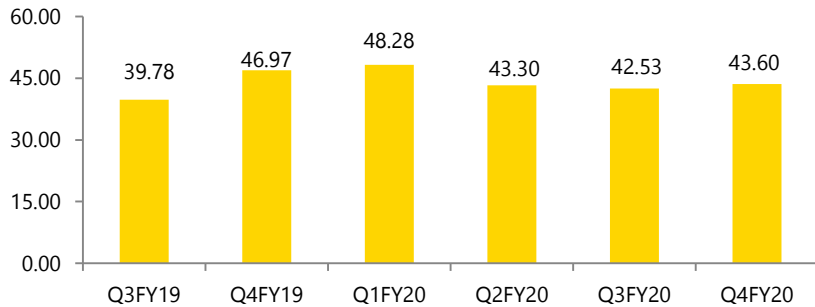
Financial Performance (Quarterly)

Particulars In Rs. Cr	Q3 FY19	Q4 FY19	Q1 FY20	Q2 FY20	Q3 FY20	Q4 FY20
Sales	39.78	46.97	48.28	43.30	42.53	43.60
Operating Exp	32.36	38.69	41.51	38.89	38.63	40.16
EBITDA	7.42	8.28	6.91	4.54	4.46	4.44
PAT	4.16	3.46	2.40	0.08	0.66	0.47
EBITDA Margins (in %)	18.65%	17.62%	14.32%	10.48%	10.48%	10.18%
Net Profit/Loss Margins (in %)	10.47%	7.37%	4.98%	0.18%	1.55%	1.07%

Financial Overview (Quarterly)

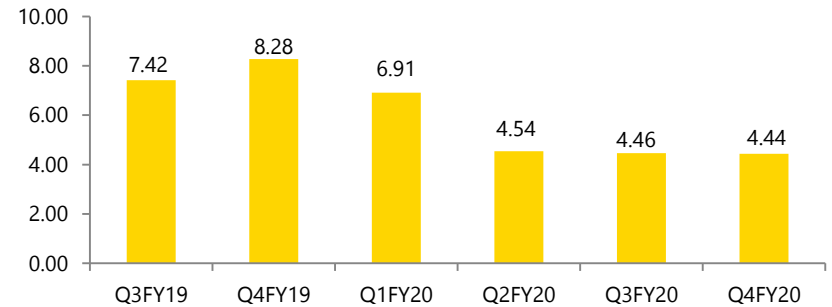
Revenues from operations

Figures in INR Cr.



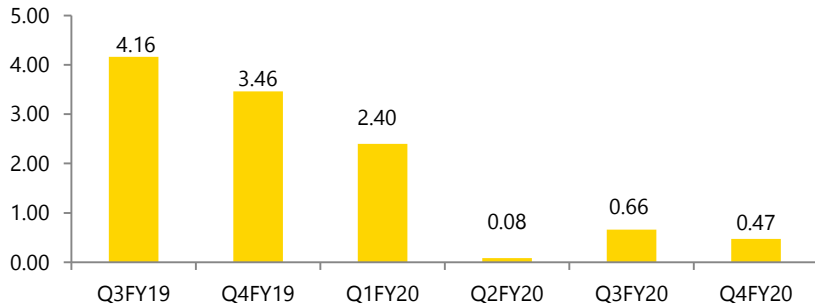
EBITDA

Figures in INR Cr.

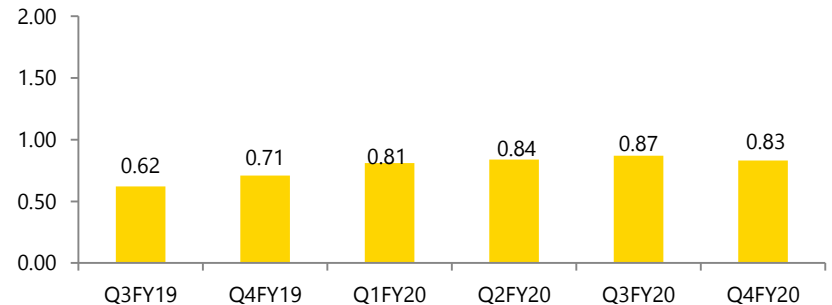


Profit After Tax

Figures in INR Cr.



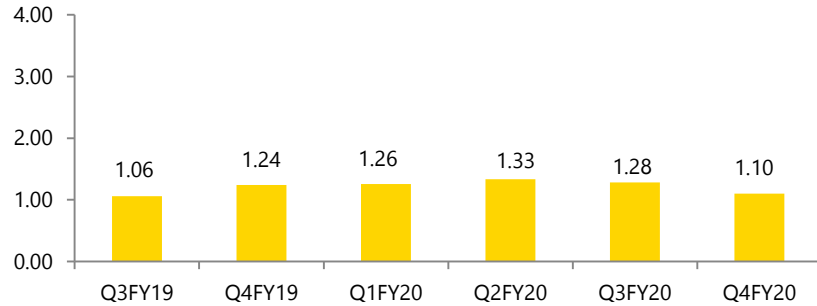
Debt to Equity Ratio



Financial Overview (Quarterly)

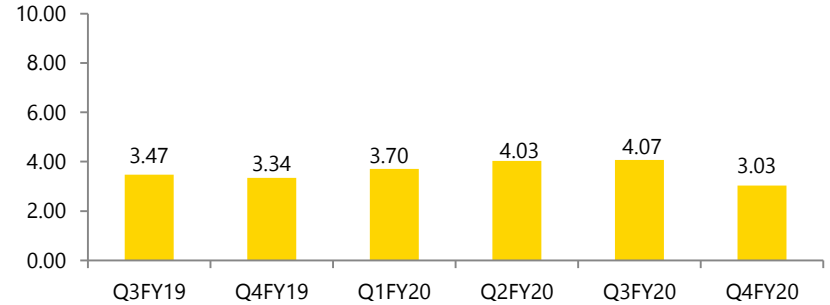
Sales Volume (Square Meters)

Figures in Lakh Sqm.



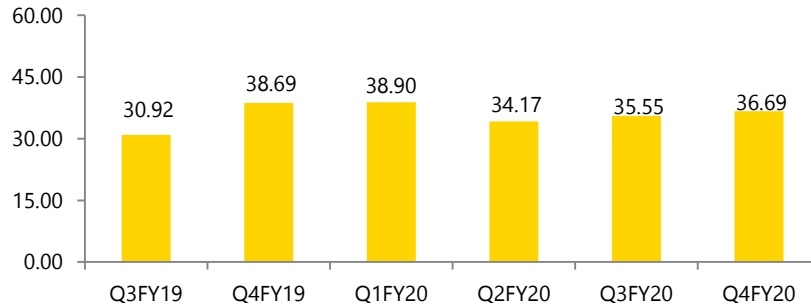
Raw Material Consumption (Cubic Meters)

Figures in '000



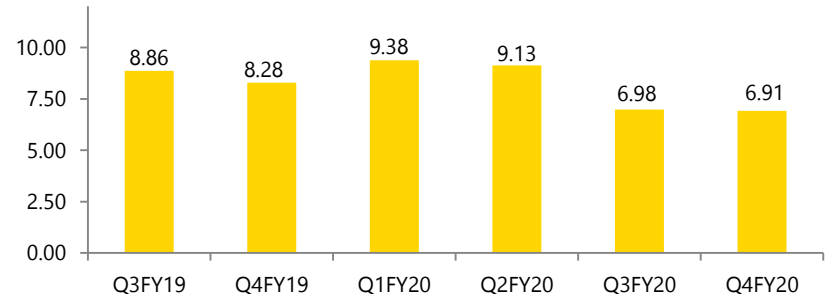
Segment Sales - Slabs

Figures in INR Cr.



Segment Sales - Tiles

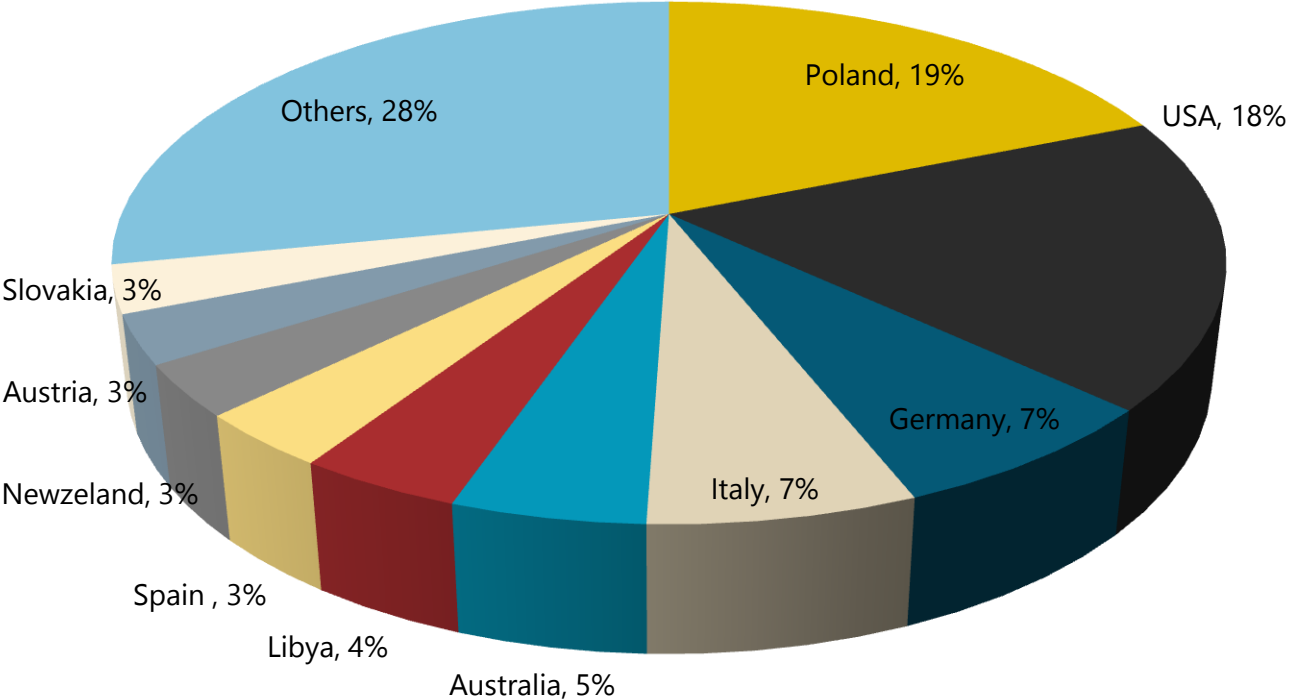
Figures in INR Cr.



Financial Highlights (Quarterly)

- Sales declined by 7.17% From 46.97 Cr in Q4 FY2018-19 to 43.60 Cr in Q4 FY2019-20
- EBITDA Decreased By 46.35% From 8.28 Cr in Q4 FY2018-19 to 4.44 Cr in Q4 FY2019-20
- PAT Decreased By 86.56% From 3.46 Cr in Q4 FY2018-19 to 0.46 Cr in Q4 FY2019-20
- EBITDA Margins Decreased From 17.62% in Q4 FY2018-19 to 10.18% in Q4 FY2019-20

Country wise Exports FY2020



New Plant (Jaipur)

- The Jaipur plant became operational from 1st August 2019 and we started exports from the plant in the first month itself
- The plant was setup in Jaipur to save on transportation costs due to proximity of large number of granite quarries in Rajasthan
- Our initiative to start plant in Jaipur has been quite successful - Within 8 months of starting operations it accounted for 8% of our total sales in FY2020
- Availability of raw granite blocks at stable prices has been a big advantage and has helped us maintain our market share in the export markets
- Our business from Rajasthan is growing and we have portfolio of 26 colors with 6-7 shades being core colors

New Processing Facility (Quartz)

- Company is setting up processing facility for Quartz in its existing plant in Hosur with capacity of 180,000 m2 per Annum in the first phase.
- We started work on Quartz plant in March 2019, and it was expected to be ready by March 2020.
- The Chinese technicians returned to China at the end of January for Chinese New Year, and were unable to return to complete the set up process due to the Travel Ban caused by the COVID 19 Pandemic
- Our fixed investment in Quartz plant is low, as we are using / sharing existing infrastructure of Hosur Unit with the quartz plant.
- Our investment is largely in Quartz machines for which we have paid 40% of machine cost. The entire payment to the Chinese Machine supplier is to be spread over 720 Days
- The Cost burden due to Covid-19 delay in Quartz plant commissioning has been marginal and is largely an opportunity cost
- The US International Trade Commission applied a duty of 3.19% on Indian Quartz import which is less than the interim duty.

COVID 19 Update

- Our business was also impacted by Covid-19 and our Hosur and Jaipur plants were shut down from March 24.
- Raw material availability has worsened as most of the quarries in South are unable to open due to shortage of labor
- As of June end more than 50% of the quarries are yet to operate at even one third capacity, with only a hand-full working above 70% capacity
- In the north however quarries are quicker to reopen and we expect the majority of them to operate at 75% or more by October 2020
- As on date we have good numbers of export orders in hand but we are not able to execute them due to inadequate availability of raw material

Outlook

1. The operating environment for the granite industry in India is quite challenging due to shortage of raw blocks are limited operating quarries, Covid-19 has worsened raw material situation as most of the quarries are unable to operated at previous levels
2. Rajasthan has abundant granite reserves with huge colours offering and has emerged as significant source of raw material
3. Since all our Bank loan and working capital limits are exposed to foreign currency fluctuations, during the year the exchange loss was approximately Rs. 9.00 Crores as per the AS 11 Accounting Standard, which is a notional entry only.
4. During the year our past GST refunds backlog has been cleared by the government, and we have only current GST refunds pending

For any further information, please contact

Sabyasachi Panigrahi
Aro granite industries ltd.
sabyasachi@arotile.com
+91 11 41686169

Gaurav Sud
Kanav Capital Advisors Pvt. Ltd.
gaurav@kanavcapital.com
+91 98101 22432



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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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