



Investor Update – For the Quarter Ending 31st March 2017

April 2017



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
Awarded Top Export Award by CAPEXIL for 2012-13 ,2013-14 and 2014-15

100% EOU

100% export oriented,
located at Hosur,
Tamil Nadu



Listed on NSE Since 2007 & BSE Since 1997 in India



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



Export to more than 50 countries



Installed capacity
Granite Slab:
585,000 Square Meters
Granite Tiles:
360,000 Square Meters



Awarded with "Special Export Award" by CAPEXIL for 7 years in a row

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

\$2.62_{Bn}

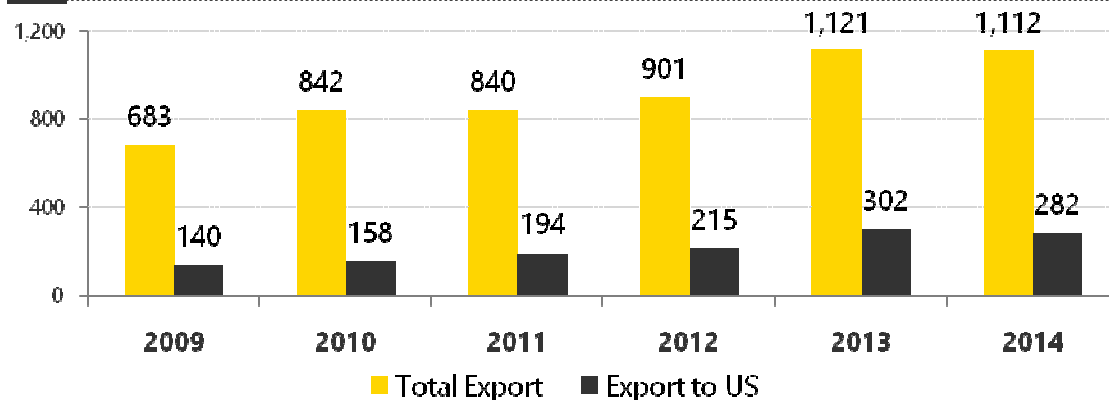
Market size approximately \$2.62 bn.

9%

Accounts for more than 9% of the world stone exports

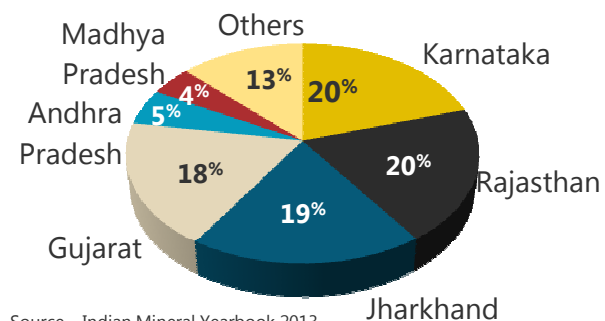
India Processed Stone Export

Figures in USD \$ Mn.



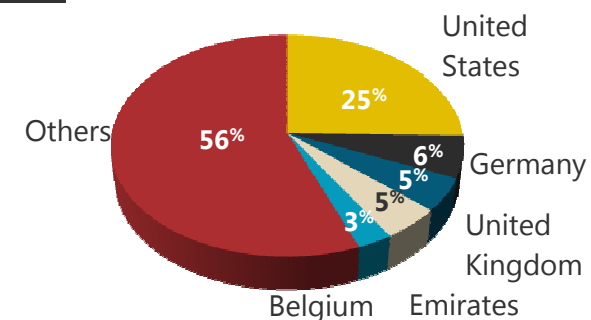
Source - XXVI world marble and stones report 2015

Statewise Granite Reserves



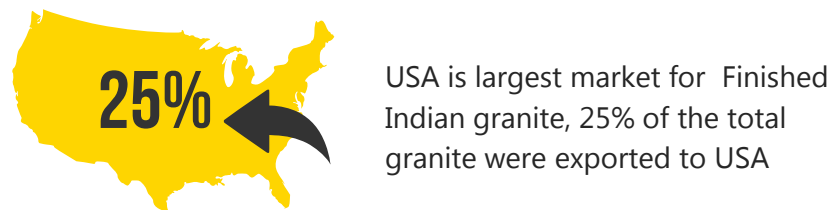
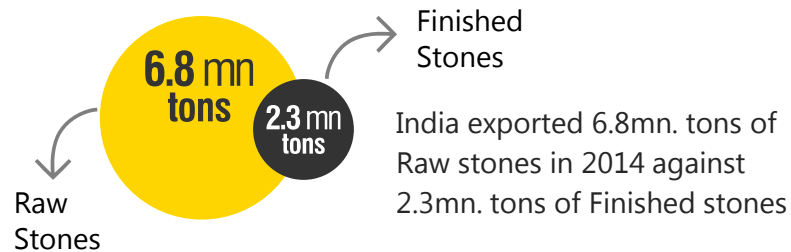
Source - Indian Mineral Yearbook 2013

India Stone Export (%)



Source - XXVI world marble and stones report 2015

Indian Granite Industry



Large players finished products are

Aro granite industries limited

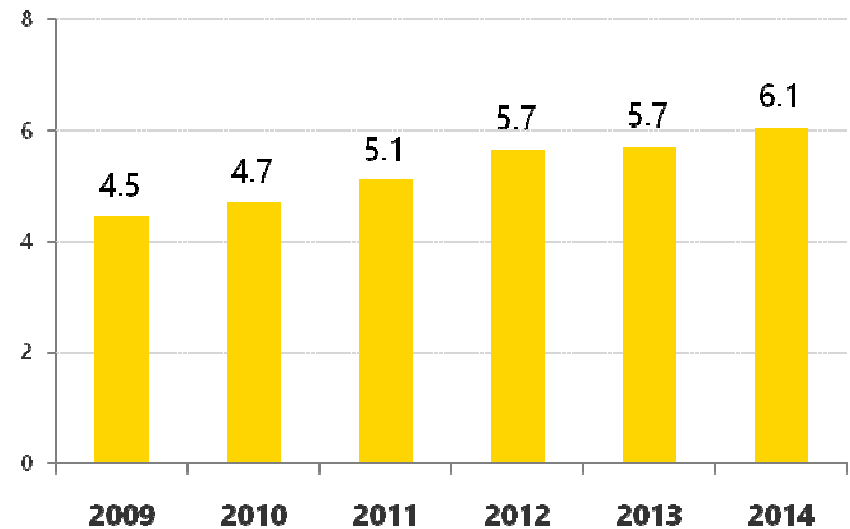
Pokarna Ltd

Bannari Amman Sugars Ltd

Pacific Industries Ltd

Internal Use of Stone In India

(mn. Tons)



Source -XXVI world marble and stones report 2015

Our Infrastructure

Over 35,000 sqm of covered shed area

Handling Equipment

Gantry Cranes	3
EOT Cranes	20

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
Chamfering Machine	1

Slab Plant

Jumbomatic Gangsaws	12
20 Head Polishing Line	3
12 head Grinding line	1
Flaming machine	1
Epoxy lines	3



Production Process



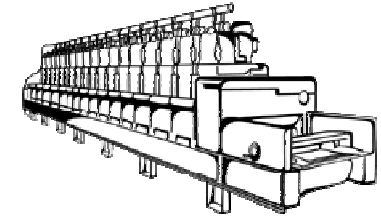
Blocks from
Quarry



Sawing of
Blocks



Grinding &
Epoxy



Polishing

New Infrastructure

- We have commissioned an 11,000 sqm Warehouse to store and display entire range of products
- We can display 100,000 sqm of finish slabs
- The work on the new office block next to the warehouse is in full swing and will be operational soon
- We are extending the factory canteen to reduce the wait time taken by employees during lunch



Cut To Size

- During September 2016 we finished the installation of our CNC machines enabling us to take up more cut to size projects
- We imported 2 CNC machines from GMM, Italy
- Over the past months we have supplied materials for Jobs in US, Japan, Germany, Australia, Poland etc
- We are aiming to ramp this part of the business and aim for it to become 15-20% of our overall sales and in the next 2 years
- Cut to Size has better margins than our regular business and so should contribute positively to our overall margins



Financial Performance

Particulars In Rs. Cr	Q3 FY16	Q4 FY16	Q1 FY17	Q2 FY17	Q3 FY17	Q4 FY17
Sales	45.32	50.02	67.13	63.76	51.43	56.33
Operating Exp	46.69	50.38	60.94	55.54	44.8	46.70
EBITDA	2.12	5.96	9.91	8.22	6.63	5.92
PAT	-0.39	2.01	5.00	3.33	2.78	1.52
EBITDA Margins (in %)	4.68	11.92	14.35	12.89	12.90	10.51
Net Profit/Loss Margins (in %)	-0.86	4.00	7.45	5.22	5.40	2.69

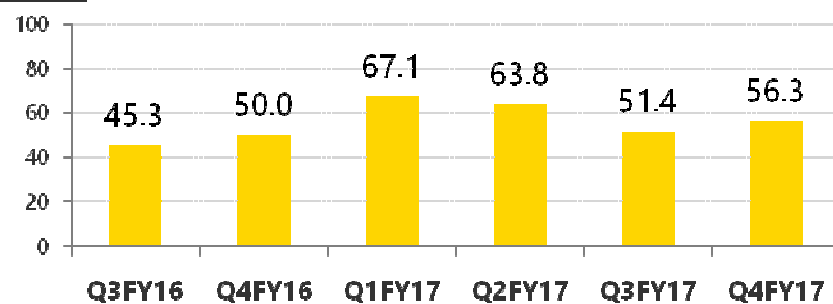
Financial Highlights

- Sales Increased BY 10.70 % from Rs.215.59 Cr in FY 2015-16 to Rs.238.65 Cr in FY 2016-17
- EBITDA increased by 45.24 % from Rs.21.12 Cr in FY 2015-16 to Rs.30.68 Cr in FY 2016-17
- PAT Increased by 115.36% from Rs.5.86 Cr in FY 2015-16 to Rs.12.62 Cr in FY 2016-17
- EBITDA Margin increased from 9.8 % in FY 2015-16 to 12.85% in FY 2016-17

Financial Overview (Quarterly)

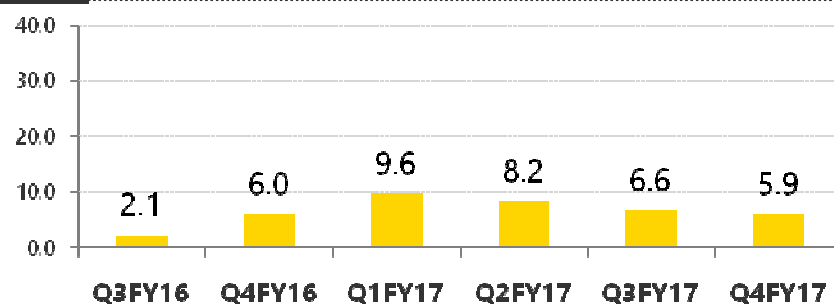
Revenues

Figures in INR Cr.



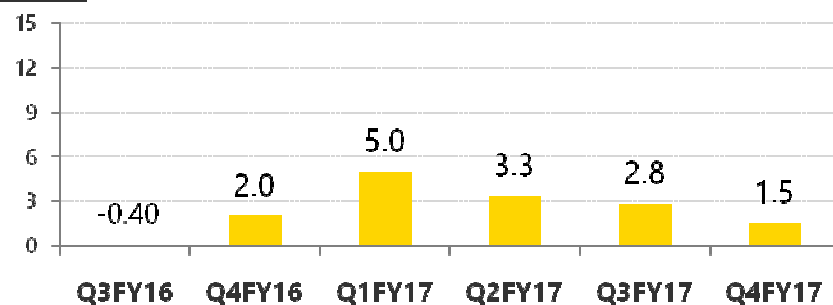
EBITDA

Figures in INR Cr.

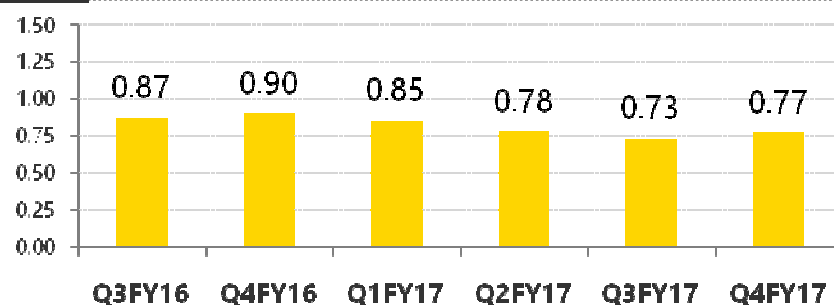


Profit After Tax

Figures in INR Cr.



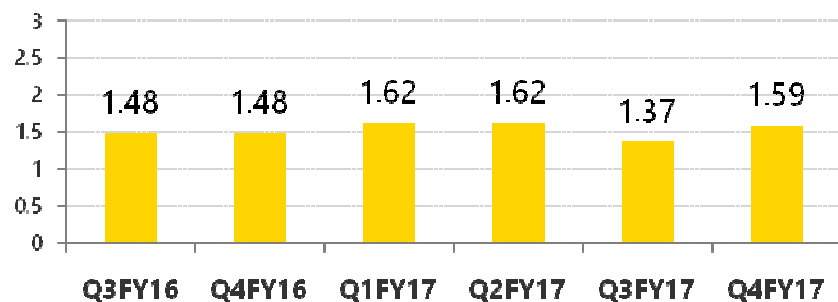
Debt to Equity Ratio



Financial Overview (Quarterly)

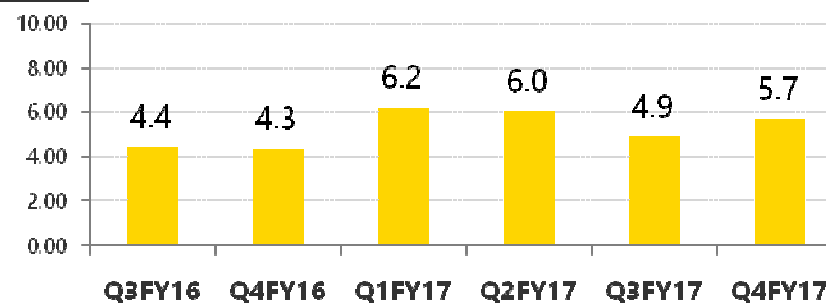
Sales Volume (Square Meters)

Figures in Lakh Sqm.



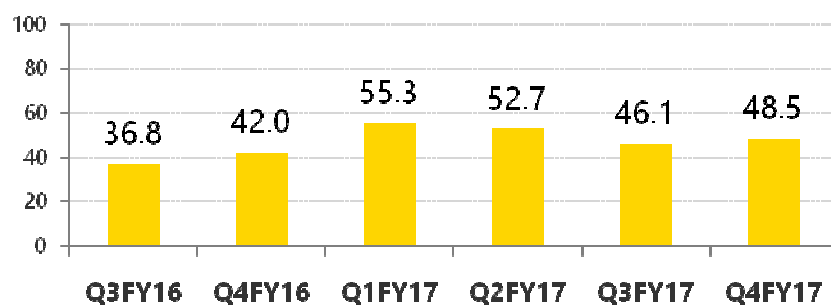
Raw Material Consumption (Cubic Meters)

Figures in '000



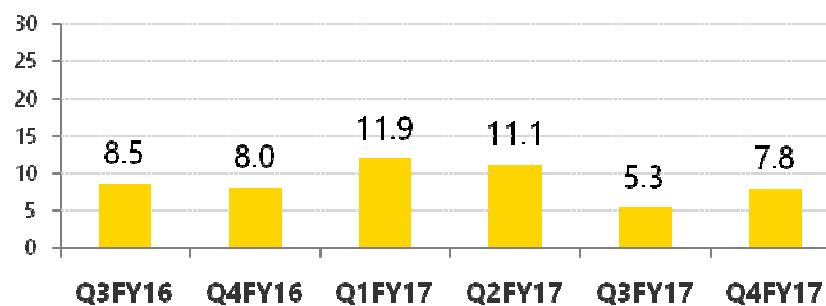
Segment Sales - Slabs

Figures in INR Cr.



Segment Sales - Tiles

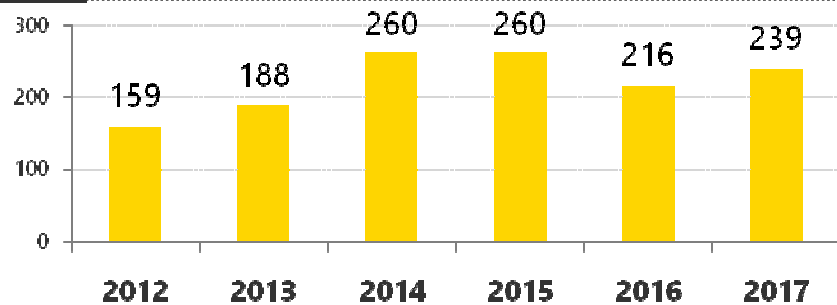
Figures in INR Cr.



Financial Overview (Annual)

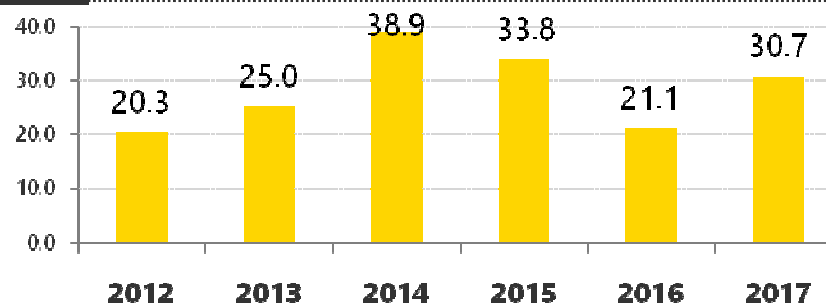
Revenues

Figures in INR Cr.



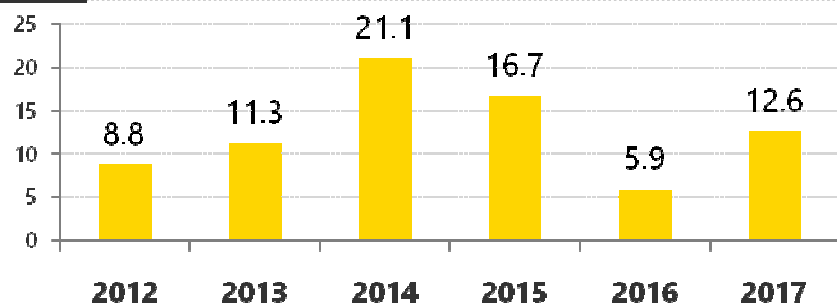
EBITDA

Figures in INR

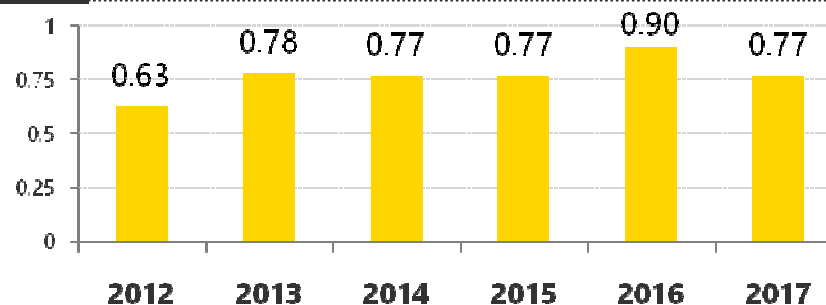


Profit After Tax

Figures in INR Cr.

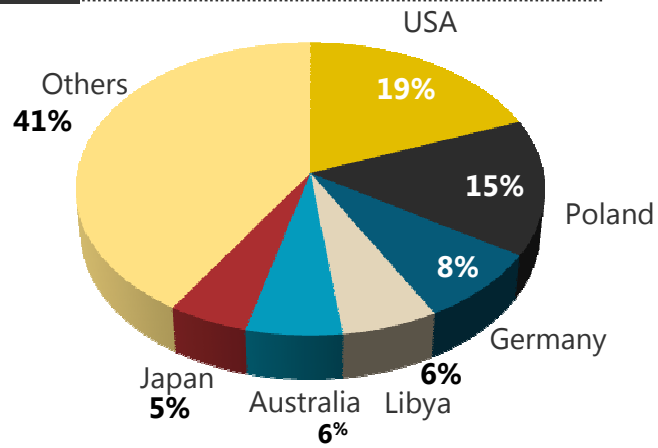


Debt to Equity Ratio

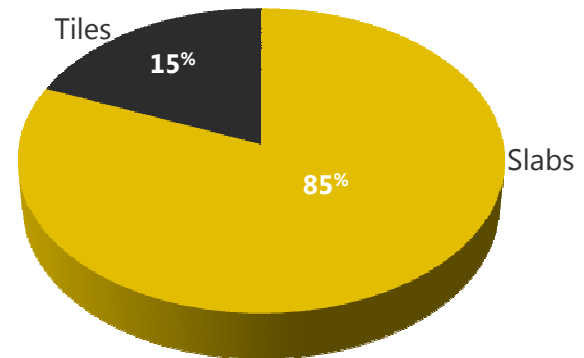


Sales Breakup FY2017

Top 5 Countries



Segments



Outlook

- We have launched the CUT-TO-SIZE segment during the year. We have won our first set of order and now gradually aim to scale this segment up in the next 2 years
- In CUT-TO-SIZE we are planning to buy a edge policing machine which will help us in better finishing and lower our processing costs
- INR is strengthening against Dollar this will have a negative impact on our margins
- The outlook for the coming year is also uncertain. The Rupee Appreciation is impacting our margins, and the demand trends toward engineered stone at the cost of natural stone continue. We are aiming to counter these trends by entering newer products like natural quartz and further improving our processing capabilities

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



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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