



Investor Update – For the Quarter Ending 31st March 2018

April 2018



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



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:
735,000 Square Meters
Granite Tiles:
360,000 Square Meters



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

Top Export Award For FY 2012-13, 2013-14 and 2014-15

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}

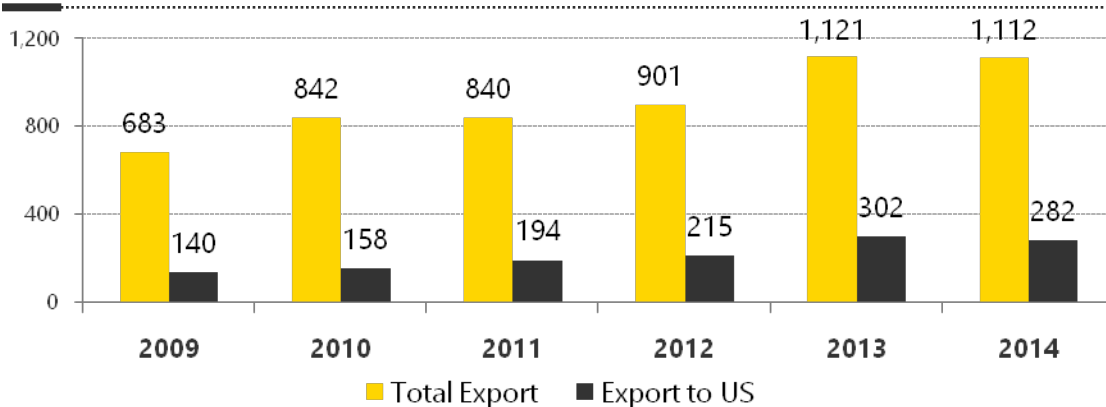
Market size approximately \$2.62 bn.

9%

Accounts for more than 9% of the world stone exports

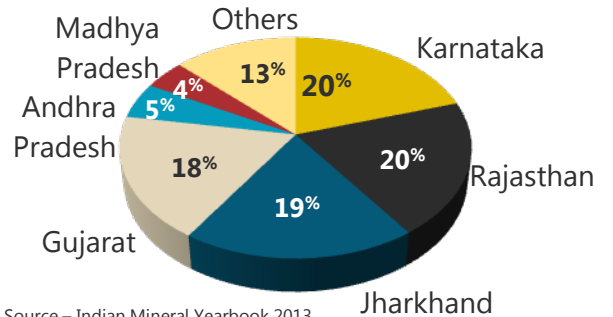
India Processed Stone Export

Figures in USD \$ Mn.



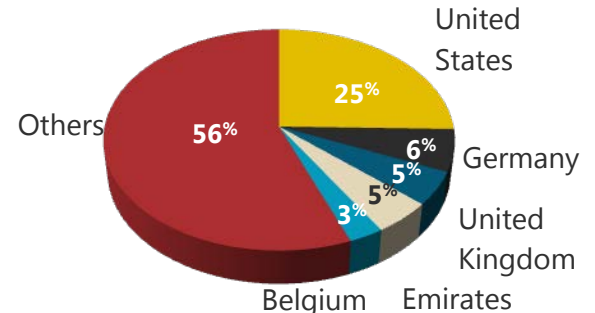
Source - XXVI world marble and stones report 2015

Statewise Granite Reserves



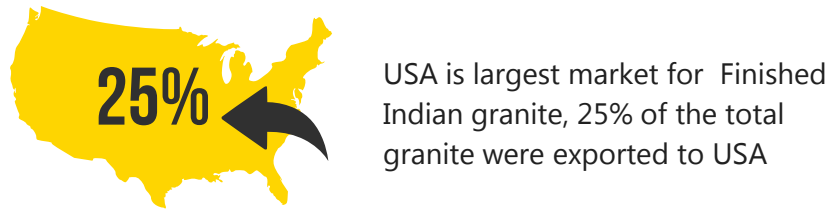
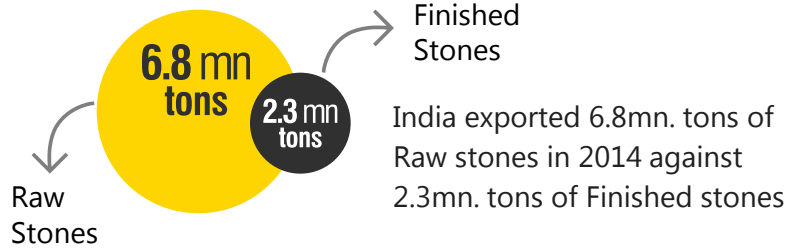
Source - Indian Mineral Yearbook 2013

India Stone Export (%)



Source - XXVI world marble and stones report 2015

Indian Granite Industry



Large players finished products are

Aro granite industries limited

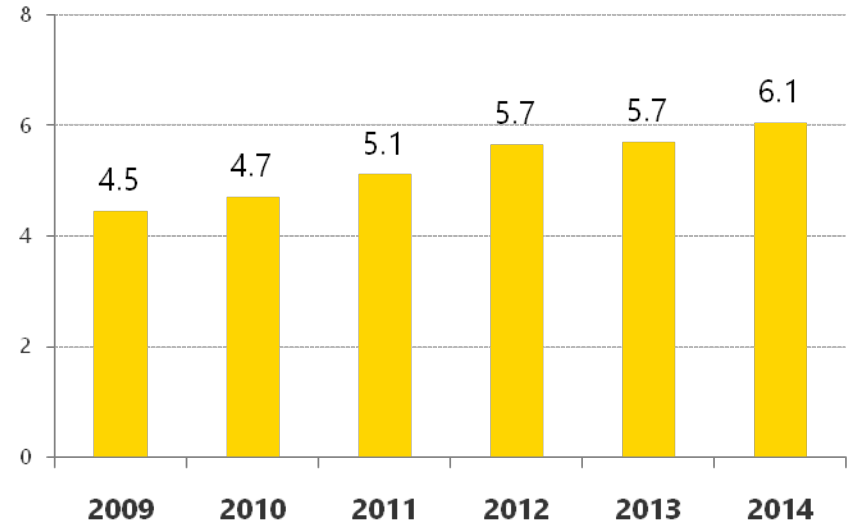
Pokarna Ltd

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

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



Brief Over View – Gangsaws

- Used Steel Blades, BAT (Lime replacement) and Steel Grit
- Trolley/Block Size – 340 x 210 x 450cm
- 2-4 Blocks Per Trolley to Maximise space
- Average Cutting – 3 days per trolley
- Can process multiple blocks at the same time.
- 3 day Production of 1 Gangsaw = 2.5 Blocks
- 3 day Production of 2 Gangsaws = 5 Blocks



Multi Wire



Multi Wire Basics

- Uses 6.3 mm \varnothing Diamond Wires
- Trolley / Block Size – 350x220x198cm
- Single Block Production (preferred)
- Average Cutting time - 2 trolleys per day
- 3 day Production - 6 Blocks
- Better Suited for cutting Hard, Dense and Brittle materials like quartzite (High End)
- Reduces Cracks, Fissures, Breakages and Snapping of Sawn Slabs.



Capacity of 2 GS = 1 MW

	Multi Wire		Gangsaw	
Blocks Sawn in 3 days	6	Blocks	3	Blocks
Average Trolley size	7 6 Trollies	CBM In 3 days	18 Single	CBM Trolley
Recovery Rate	30	M2 / CBM	30	M2 / CBM
3 day Production	1260	M2	540	M2
Annualised	153300	M2	65700	M2

Production Process



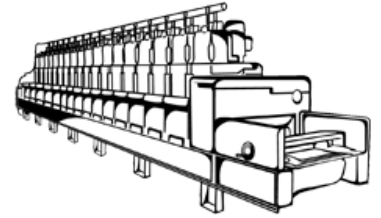
Blocks from
Quarry



Sawing of
Blocks



Grinding &
Epoxy



Polishing

Financial Performance

Particulars In Rs. Cr	Q3 FY17	Q4 FY17	Q1 FY18	Q2 FY18	Q3 FY18	Q4 FY18
Sales	51.43	56.33	55.25	50.56	45.74	49.18
Operating Exp	44.8	46.70	51.80	47.37	42.29	45.48
EBITDA	6.63	5.92	3.45	3.19	3.45	3.70
PAT	2.78	1.52	0.31	0.37	0.14	0.35
EBITDA Margins (in %)	12.90	10.51	6.24	6.31	7.54%	7.52%
Net Profit/Loss Margins (in %)	5.40	2.69	0.56	0.74	0.31%	0.71%

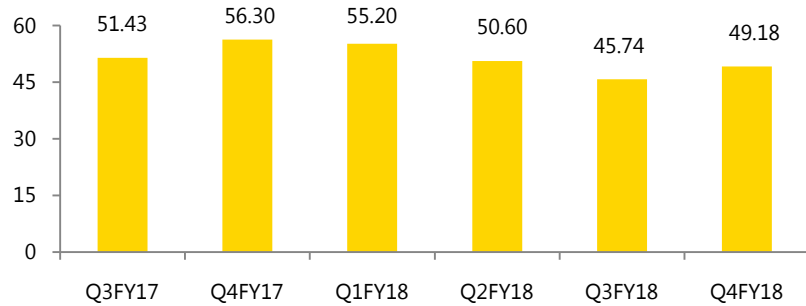
Financial Highlights

- Sales Decreased by 15.89 % From 238.65 Crores in FY 2016-17 to 200.72 Crores in FY 2017-18
- EBITDA Decreased By 55.07 % from 30.68 Crores in FY 2016-17 to 13.78 Crores in FY 2017-18
- PAT Decreased by 90.71% from 12.62 in FY 2016-17 Crores to 1.17 Crores in FY 2017-18
- EBITDA Margin decreased by 5.98 % from 12.85 % in FY 2016-17 to 6.87% in FY 2017-18

Financial Overview (Quarterly)

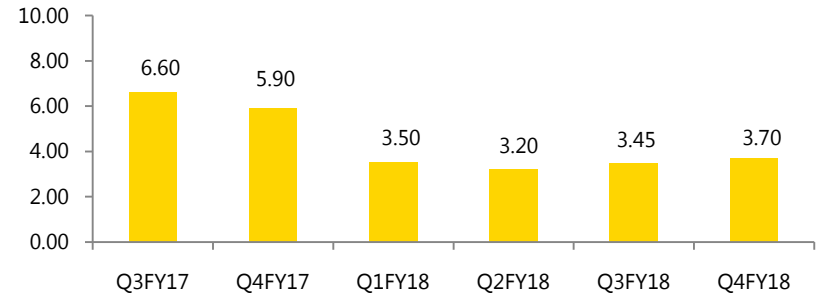
Revenues

Figures in INR Cr.



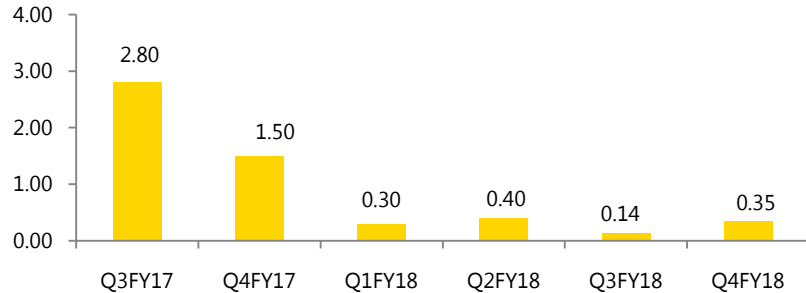
EBITDA

Figures in INR Cr.

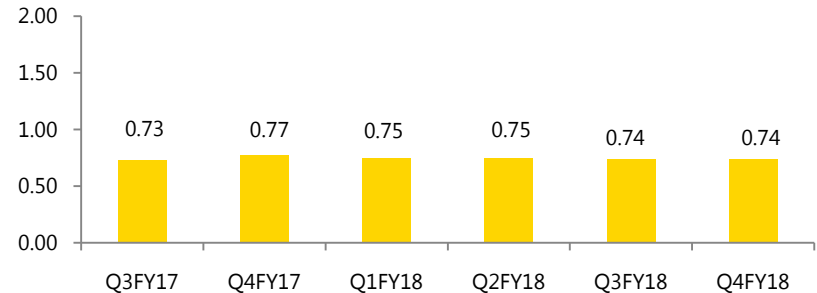


Profit After Tax

Figures in INR Cr.



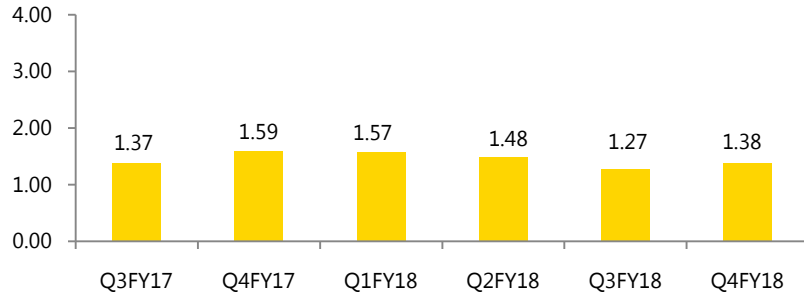
Debt to Equity Ratio



Financial Overview (Quarterly)

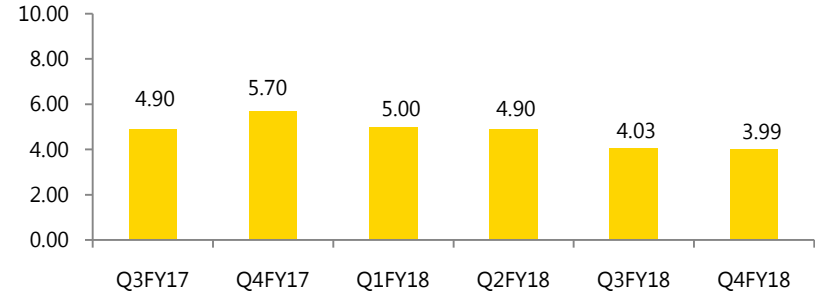
Sales Volume (Square Meters)

Figures in Lakh Sqm.



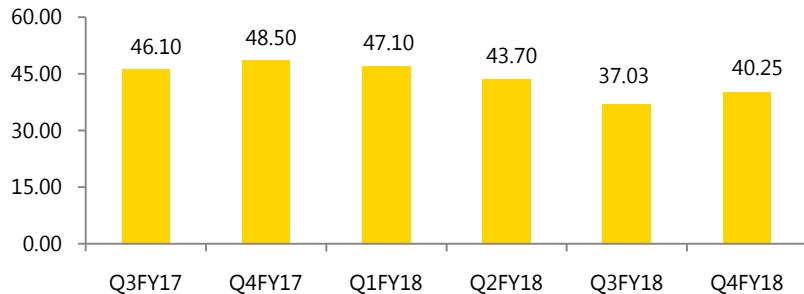
Raw Material Consumption (Cubic Meters)

Figures in '000



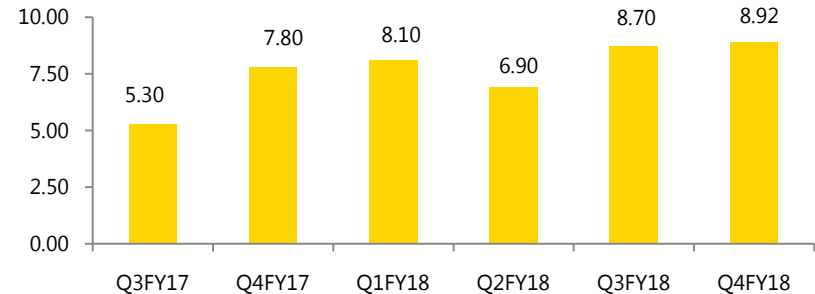
Segment Sales - Slabs

Figures in INR Cr.



Segment Sales - Tiles

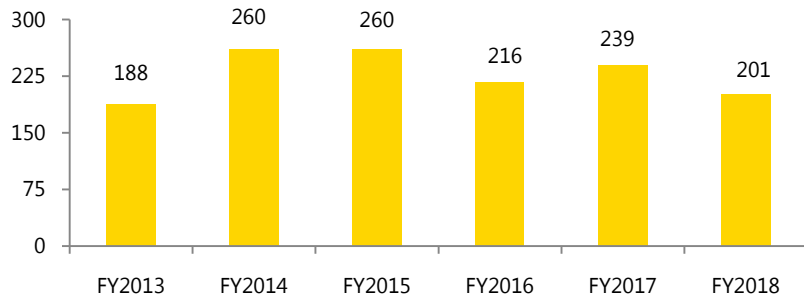
Figures in INR Cr.



Financial Overview (Annual)

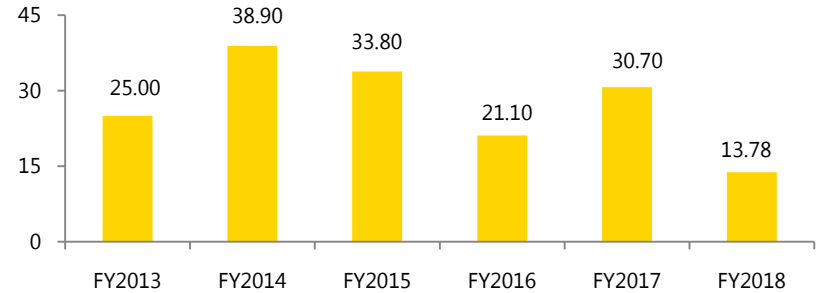
Revenues

Figures in INR Cr.



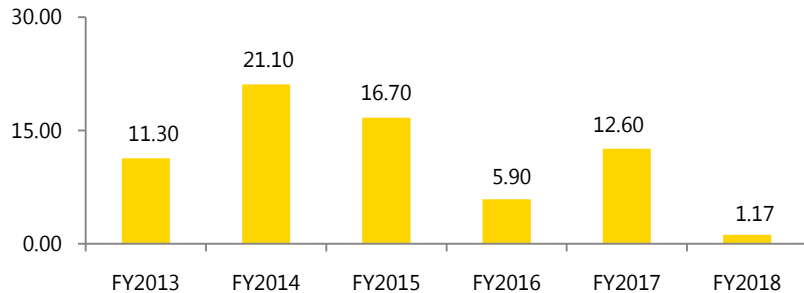
EBITDA

Figures in INR

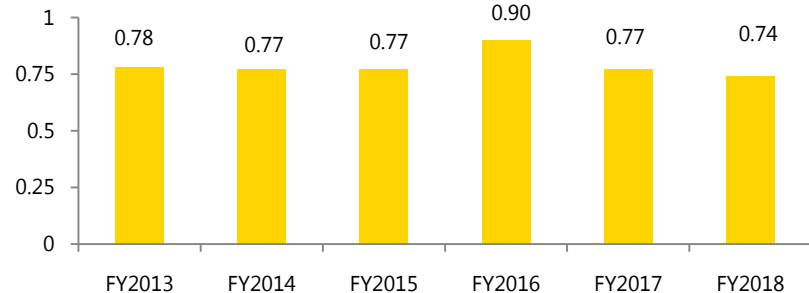


Profit After Tax

Figures in INR Cr.

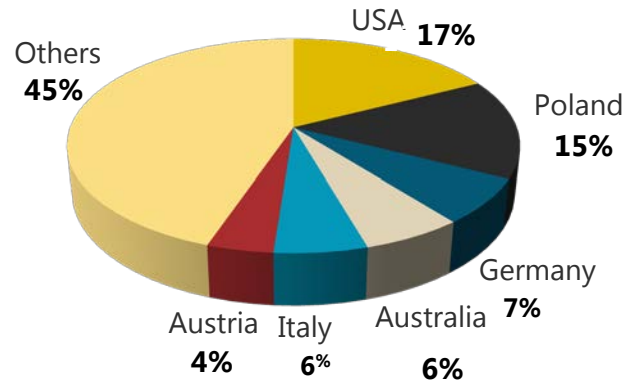


Debt to Equity Ratio

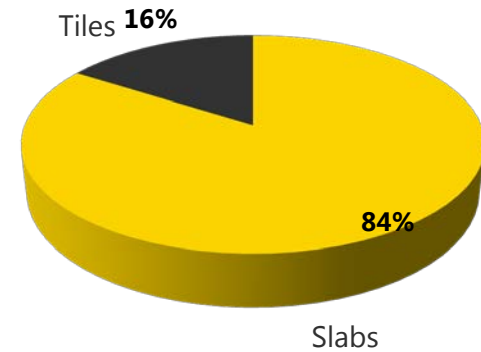


Sales Breakup FY2018

Top Countries



Segments



Outlook

- The operating environment for the granite industry in India has been challenging
- Due to non availability of refunds for exports on time, GST created shortage of working capital which in turn impacted business
- India granite exporters are facing competition from engineered stone in USA. Furthermore Quartz, Ceramic tiles and Procelain slabs are getting popular and taking market share of granite
- Sourcing of raw material has also been challenging, as the preferred shades of black, grey and white are limited in supply. Sourcing them from Rajasthan is costly due to high transportation cost
- Company has decided to expand by setting up a plant on 153,000 square meter plot for granite slabs in Rajasthan, with a planned capex of Rs 55 Cr
- The multi-wire saw machine is operational is being used to process quartzite

For any further information, please contact

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Aro granite industries ltd.

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