



Investor Update – For the Quarter Ending 31st December 2016

January 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 and 2013-14*

*2013-14 was the latest awards announced as of 2016

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

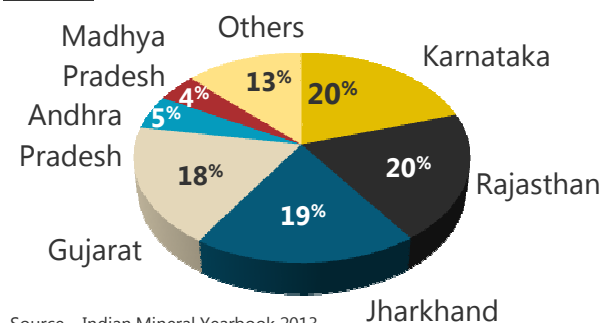
\$2.62_{Bn}

Market size approximately \$2.62 bn.

9%

Accounts for more than 9% of the world stone exports

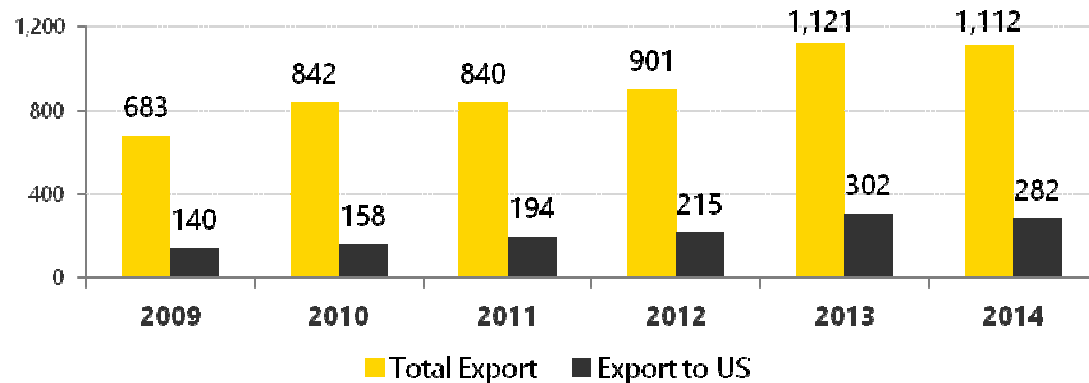
Statewise Granite Reserves



Source – Indian Mineral Yearbook 2013

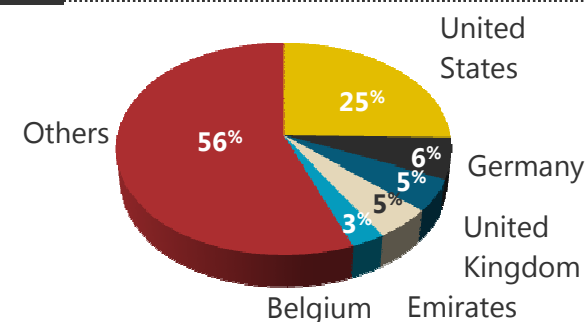
India Processed Stone Export

Figures in USD \$ Mn.



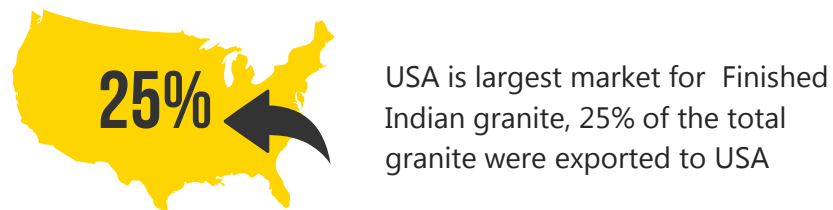
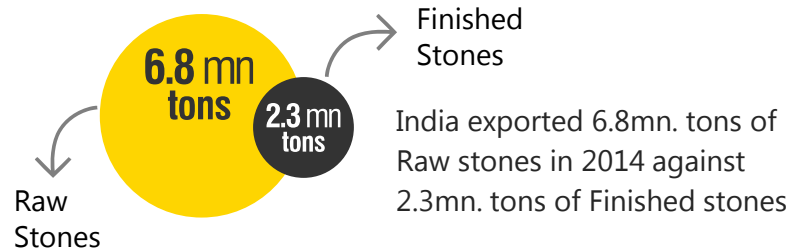
Source - XXVI world marble and stones report 2015

India Stone Export (%)



Source - XXVI world marble and stones report 2015

Indian Granite Industry



Large players finished products are

Aro granite industries limited

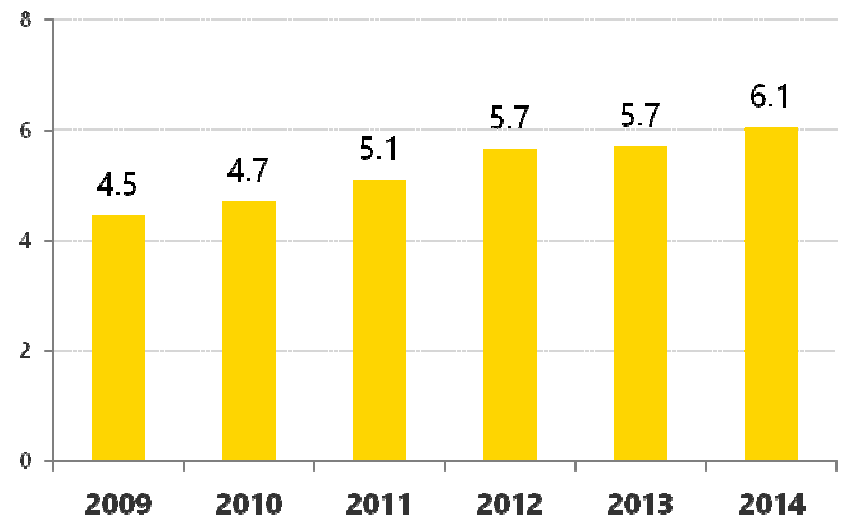
Pokarna Ltd

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

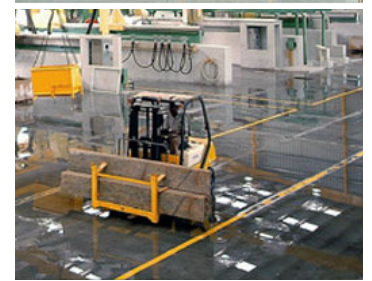
Gantry Cranes	3
EOT Cranes	20

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



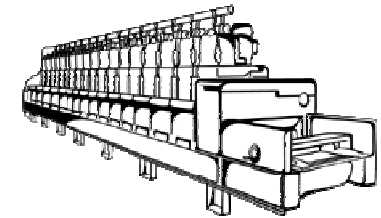
Blocks from
Quarry



Sawing of
Blocks



Grinding &
Epoxy



Polishing

The New Warehouse

- 11,000 sqm Warehouse to store and display entire range of products – Space to display 100,000 sqm of finish slabs
- The new warehouse has enabled us to display better current stocks, which we were unable to do earlier. This has resulted in customers visiting buying more quantity and variety from us.
- The warehouse is fully operational and we are in the process to build the office & admin block in the next 6 months



Cut To Size

- During September 2016 we finished the installation of our CNC machines enabling us to take up more cut to size projects
- 2 CNC machines from GMM, Italy
- We have supplied materials for Jobs in Japan, Germany, Australia, Poland etc
- We are bidding for more projects around the globe and this segment will generate higher margins



Financial Performance

Particulars In Rs. Cr	Q2 FY16	Q3 FY16	Q4 FY16	Q1 FY17	Q2 FY17	Q3 FY17
Sales	60.39	45.32	50.02	67.13	63.76	51.43
Operating Exp	56.54	46.69	50.38	60.94	55.54	44.8
EBITDA	7.45	2.12	5.96	9.63	8.22	6.63
PAT	2.83	-0.39	2.01	5.00	3.33	2.78
EBITDA Margins (in %)	12.34	4.68	11.92	14.35	12.89	12.90
Net Profit/Loss Margins (in %)	4.69	-0.86	4.00	7.45	5.22	5.40

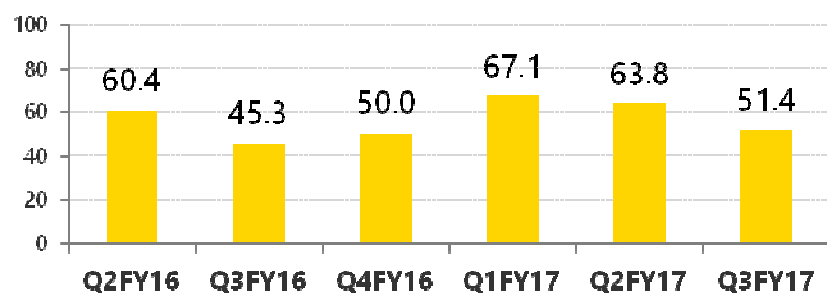
Financial Highlights

- Sales Increased BY 13.48 % From 45.32 crores to 51.43 crores
- EBITDA increased by 119.41 % from 302.38 Lakhs to 663.46 Lakhs
- PAT Increased by 810.31% from -39.07 Lakhs to 277.52 Lakhs
- EBITDA Margin increased by 6.23 from 6.67 % to 12.9 %
- **Demonetisation**
 - Operations of the company were not impacted due to Demonetisation in the quarter
 - Our vendors are increasingly accepting checks and digital payments and this has helped us with better working capital management

Financial Overview (Quarterly)

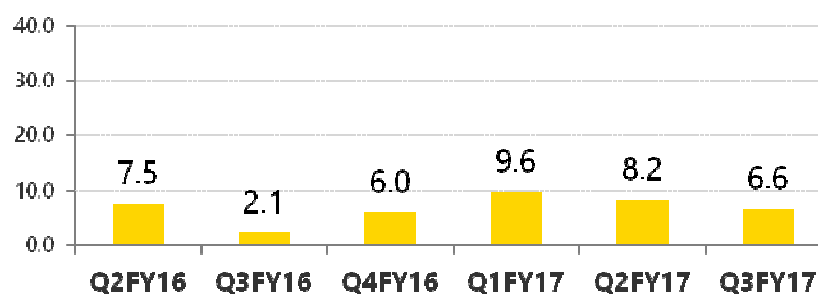
Revenues

Figures in INR Cr.



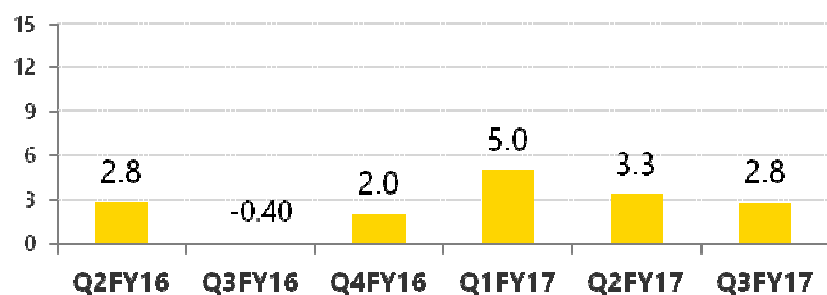
EBITDA

Figures in INR Cr.

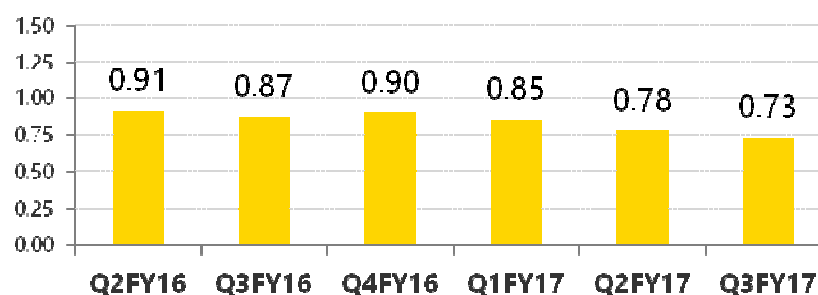


Profit After Tax

Figures in INR Cr.



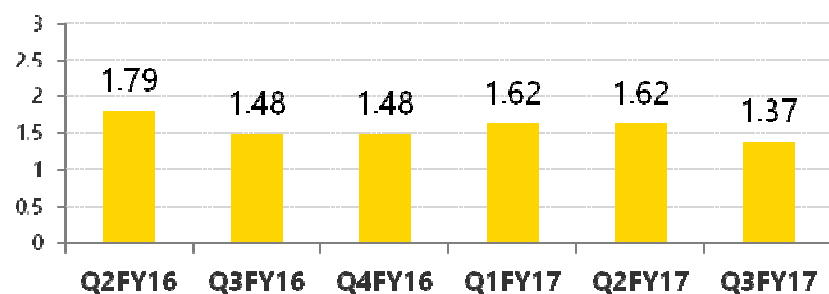
Debt to Equity Ratio



Financial Overview (Quarterly)

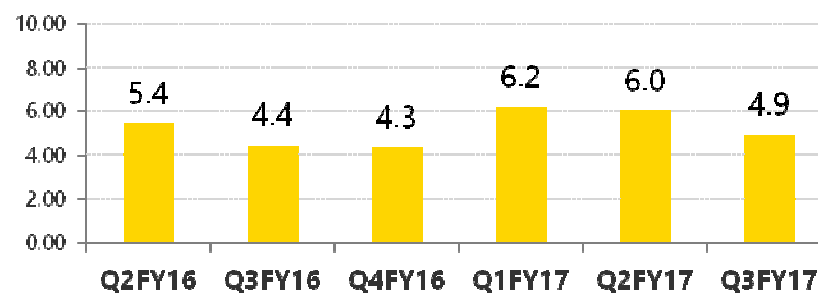
Sales Volume (Square Meters)

Figures in Lakh Sqm.



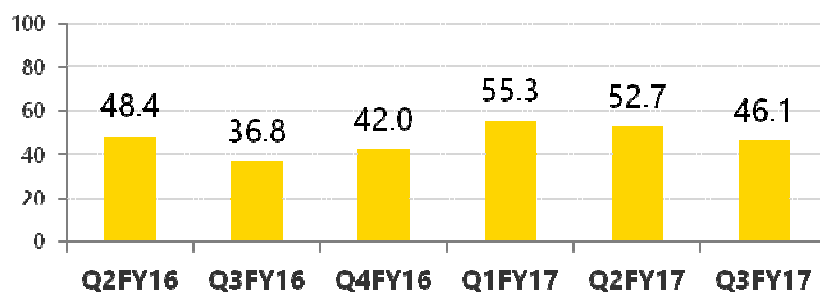
Raw Material Consumption (Cubic Meters)

Figures in '000



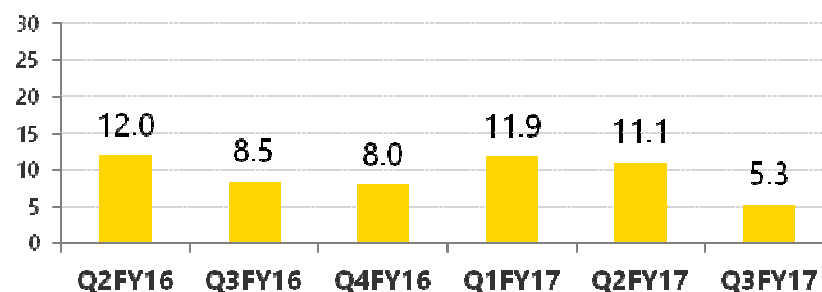
Segment Sales - Slabs

Figures in INR Cr.



Segment Sales - Tiles

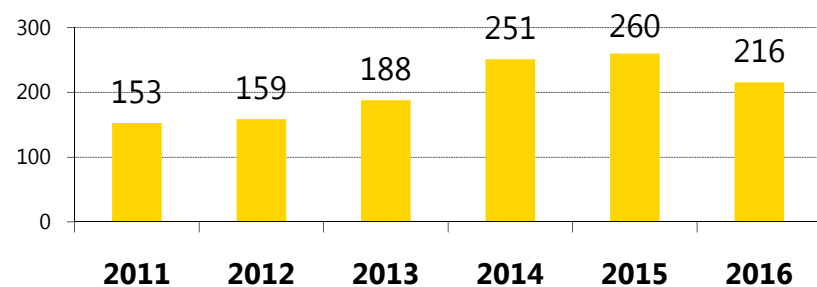
Figures in INR Cr.



Financial Overview (Annual)

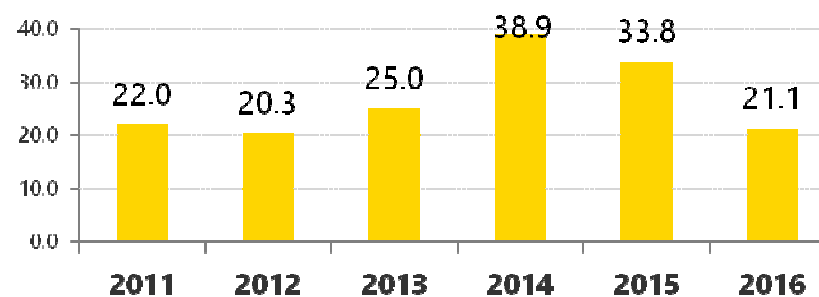
Revenues

Figures in INR Cr.



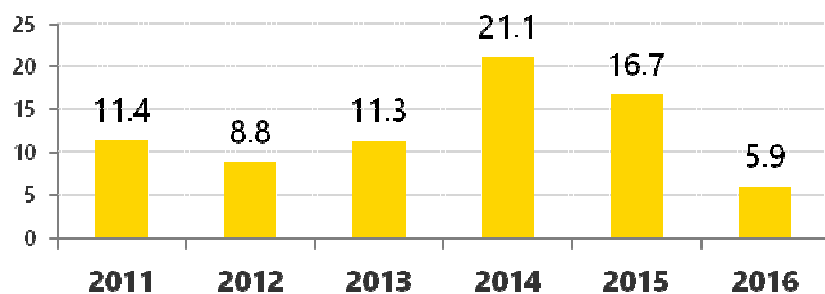
EBITDA

Figures in INR

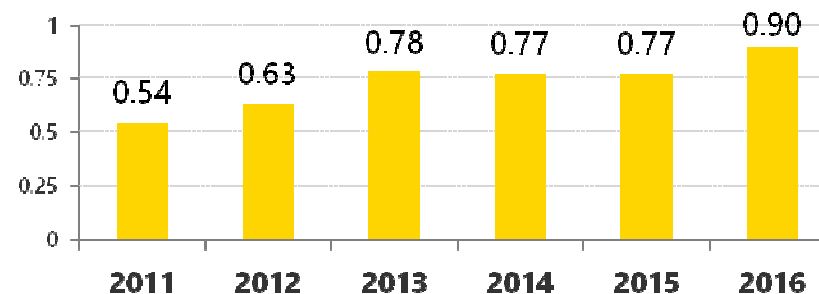


Profit After Tax

Figures in INR Cr.

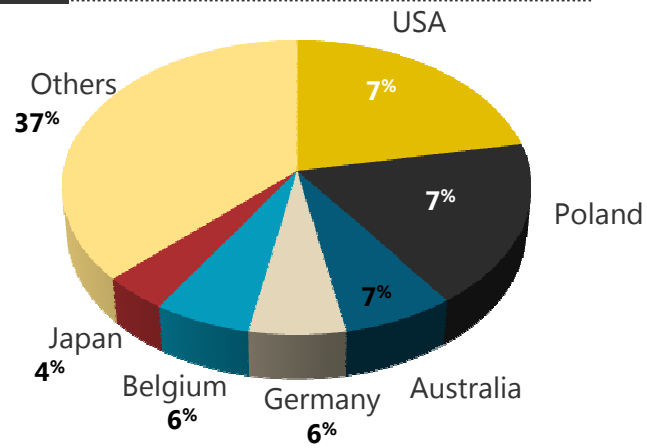


Debt to Equity Ratio

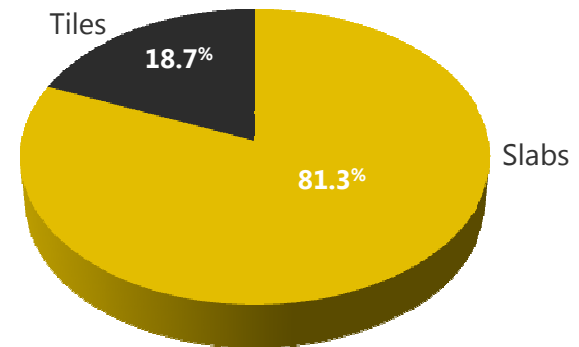


Sales Breakup FY2016

Top 5 Countries



Segments



Outlook

- The company will adding new products into its range like quartzite, which is currently in demand globally
- The Global demand scenario is still the same. There is limited growth in the natural stone demand, with architectural preferences moving towards engineered stone
- The company is debottlenecking its capacity and is hopeful that sales in the next year will be better than this year
- The CAPEX in the coming year will be funded with internal accruals
- With the fall in interest rates in India, the company is working towards reducing its cost of debt

For any further information, please contact

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