



Aro granite industries ltd.

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Date: November 17, 2018

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 Quarter Ending 30 September 2018

November 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

SEZ

Special Economic Zone Unit
Located in Mahinda 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

\$2.62_{Bn}

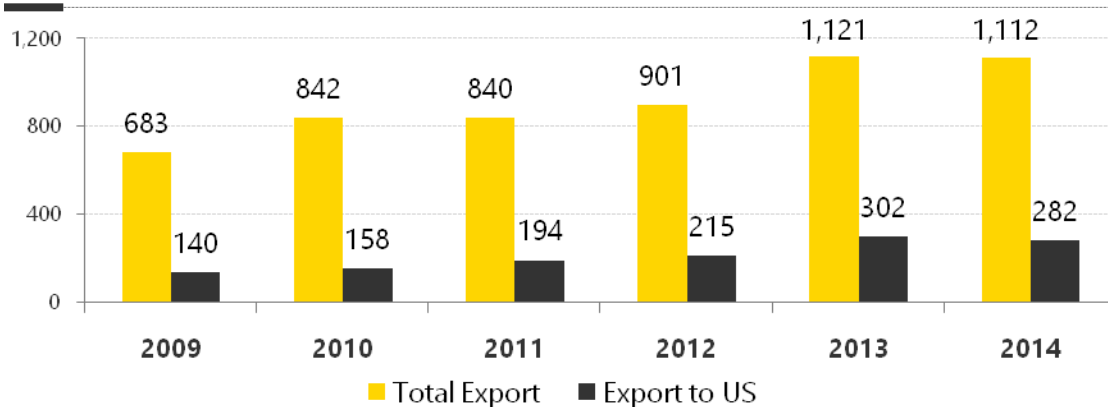
Market size approximately \$2.62 bn.

9%

Accounts for more than 9% of the world stone exports

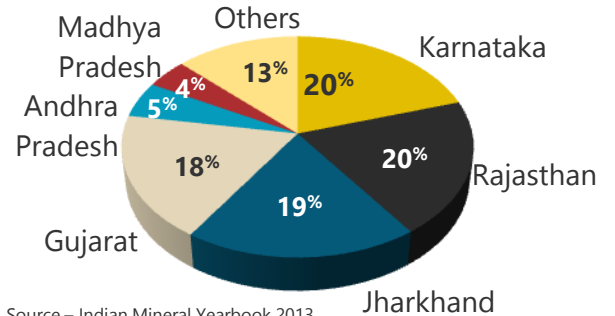
India Processed Stone Export

Figures in USD \$ Mn.



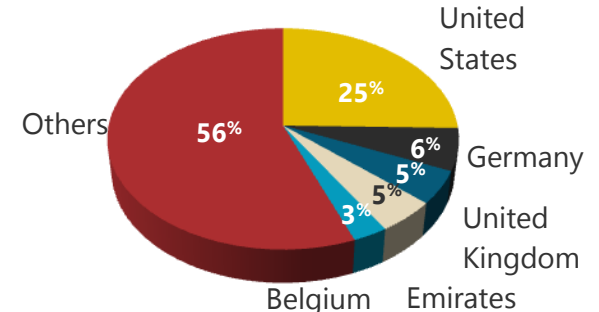
Source - XXVI world marble and stones report 2015

Statewise Granite Reserves



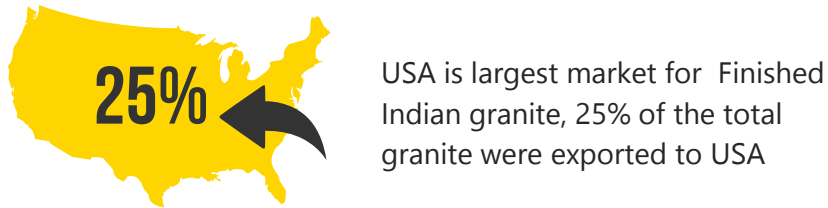
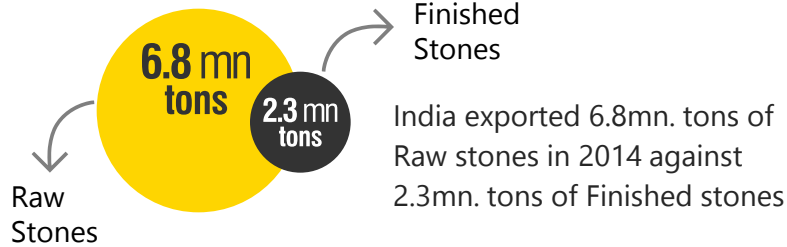
Source - Indian Mineral Yearbook 2013

India Stone Export (%)



Source - XXVI world marble and stones report 2015

Indian Granite Industry



Large players finished products are

Aro granite industries limited

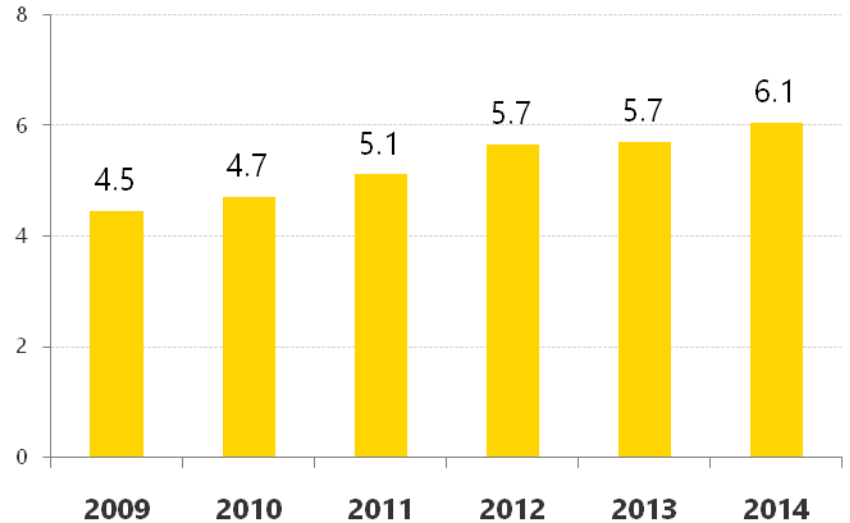
Pokarna Ltd

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



Production Process



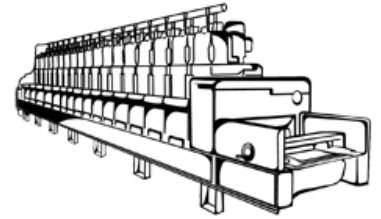
Blocks from
Quarry



Sawing of
Blocks



Grinding &
Epoxy



Polishing

HOSUR – Slabs

- 12 super Jumbo Matic **Gangsaws**
- 1 x 72 wire **Multi Wire**
- Processing Over **100 colours** of Granite and Quartzite
- From India, Norway, Brazil, Finland, Africa, Ukraine and Iran



HOSUR – Gangsaws & Multi Wire Cutter



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



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

HOSUR – Tiles

- 4nos Multi Blade Block Cutting Centres
- Calibrated and Chamfered tiles
- Over 25 years in 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 -Ware House / Showroom

11,000 square metres of Display Space



Finished

- Polish Finish
- Honed / Matt Finish
- Leather Finish
- Caress Finish / Lappato
- Flamed and Brushed
- Cleft Finish
- Flamed and Brushed with Nero + Nero

Only for Black Materials



Cut To Size

- 2 Nos GMM Intra CNC
- Capacity of 30 containers per month
- 5 Axis, with 370 degree range
- Cut from CAD

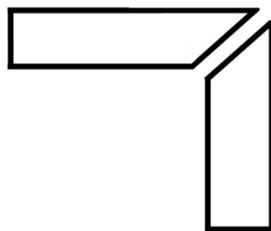




BLUNT RECTANGLE

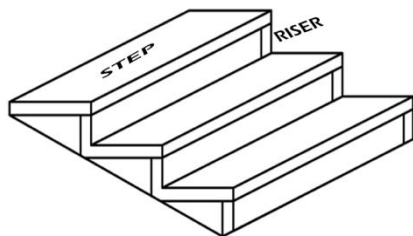


CURVESTONE

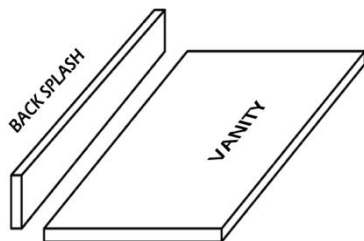


ANGLE CUTOUTS

STEPS AND RISER



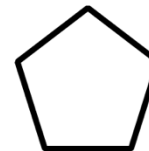
VANITY AND BACK SPLASH



KITCHEN CUTOUTS



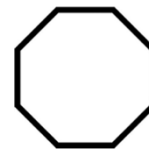
TRIANGLE



PENTAGON



HEXAGON



OCTAGON

Financial Performance

Particulars In Rs. Cr	Q1 FY18	Q2 FY18	Q3 FY18	Q4 FY18	Q1 FY19	Q2 FY19
Sales	55.25	50.56	45.74	49.18	43.75	41.94
Operating Exp	51.80	47.37	42.29	45.48	38.15	37.38
EBITDA	3.45	3.19	3.45	3.70	5.60	4.56
PAT	0.31	0.37	0.14	0.35	1.54	0.53
EBITDA Margins (in %)	6.24	6.31	7.54%	7.52%	12.80%	10.87%
Net Profit/Loss Margins (in %)	0.56	0.74	0.31%	0.71%	3.52%	1.26%

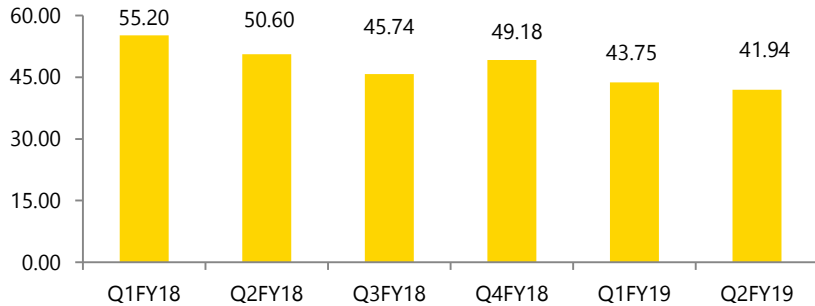
Financial Highlights

- Sales Decreased by 17.05 % From 50.56 Crores in Q2 FY2017-18 to 41.94 Crores in Q2 FY2018-19
- EBITDA Increased By 42.95 % From 3.19 Crores in Q2 FY2017-18 to 4.56 Crores in Q2 FY2018-19
- PAT Increased By 43.24 % From 0.37 Crores in Q2 FY2017-18 to 0.53 Crores in Q2 FY2018-19
- EBITDA Margins Increased By 72.31 % From 6.31% in Q2 FY2017-18 to 10.87% in Q2 FY2018-19

Financial Overview (Quarterly)

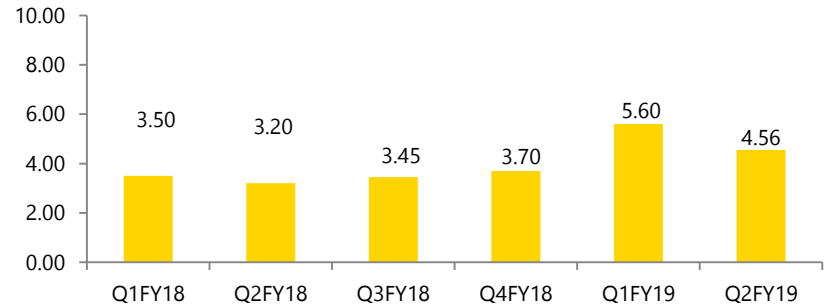
Revenues

Figures in INR Cr.



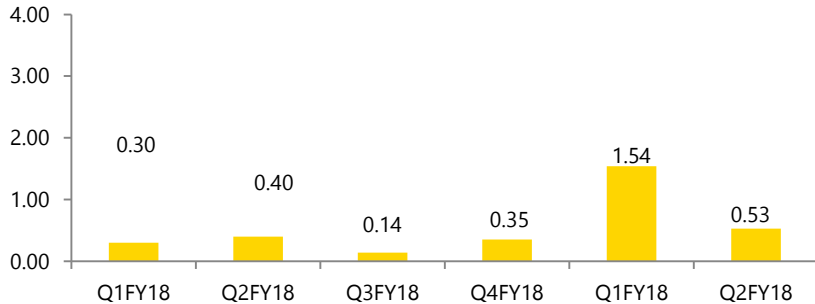
EBITDA

Figures in INR Cr.

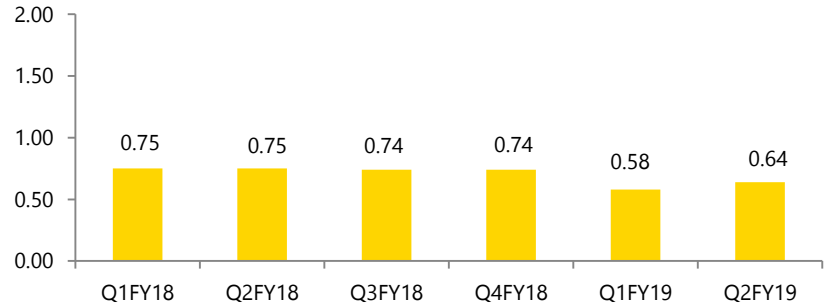


Profit After Tax

Figures in INR Cr.



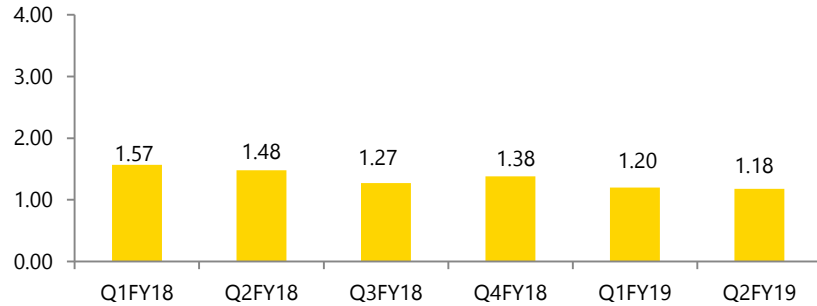
Debt to Equity Ratio



Financial Overview (Quarterly)

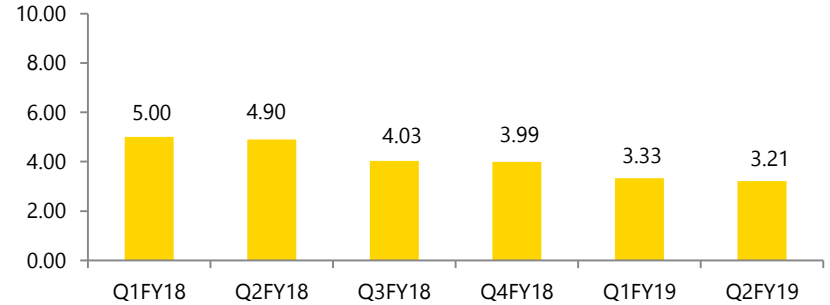
Sales Volume (Square Meters)

Figures in Lakh Sqm.



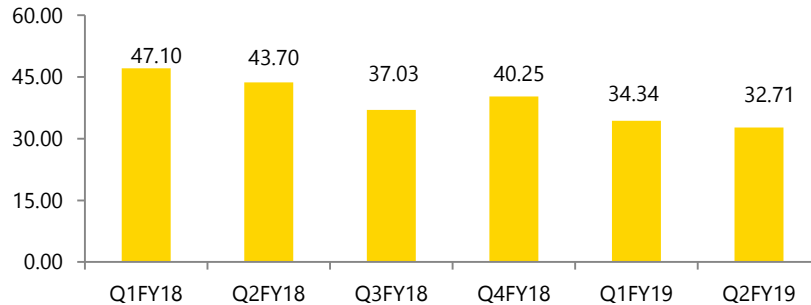
Raw Material Consumption (Cubic Meters)

Figures in '000



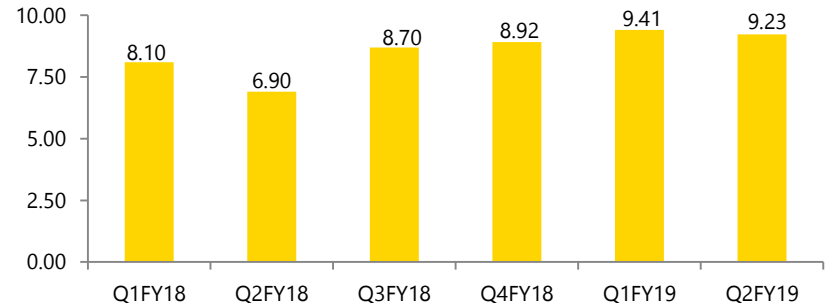
Segment Sales - Slabs

Figures in INR Cr.



Segment Sales - Tiles

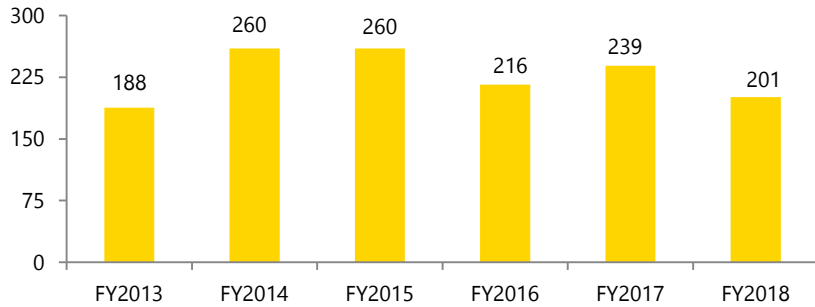
Figures in INR Cr.



Financial Overview (Annual)

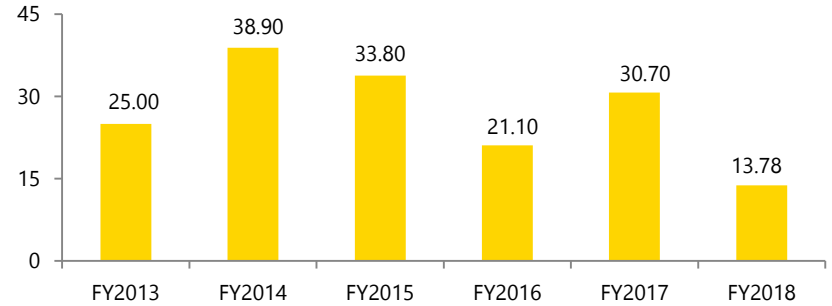
Revenues

Figures in INR Cr.



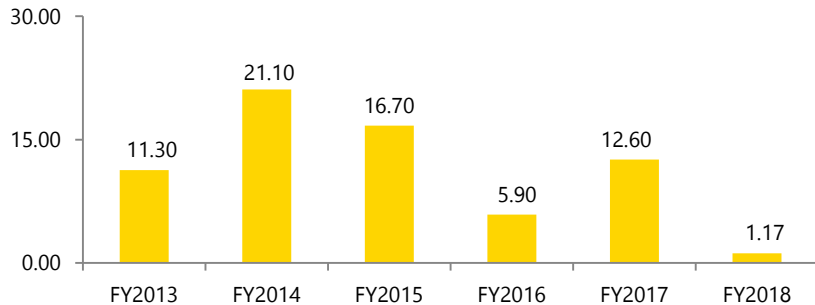
EBITDA

Figures in INR

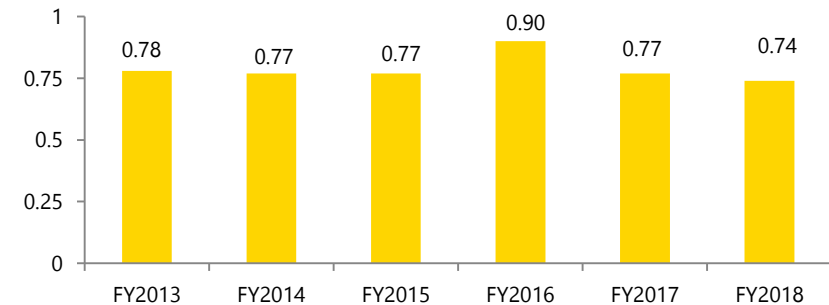


Profit After Tax

Figures in INR Cr.

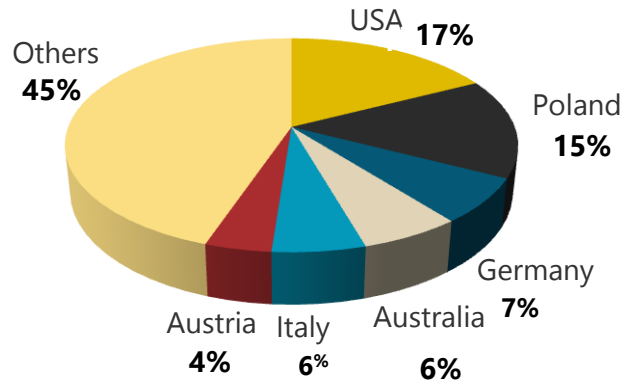


Debt to Equity Ratio

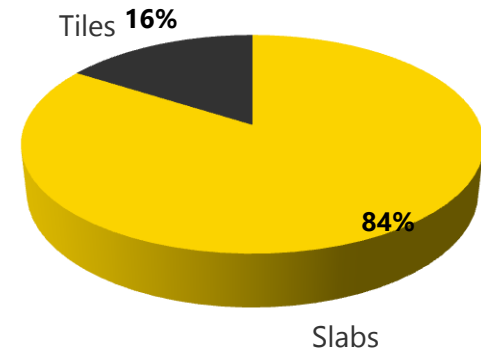


Sales Breakup FY2018

Top Countries



Segments



Jaipur

- A Plant in Jaipur with One (72 wire) Multi Wire is being set up
- The Plant Capacity is 150,000m² per Annum
- Ideally located to take advantage of transportation from Quarries
- The Plant is being set up in Mahindra SEZ with GST and Tax Benefits



- The Plant is expected to start commercial production in Q2 FY 2019-20



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 Porcelain slabs are getting popular and taking market share of granite
- With the US Tariff was on China, a 35% duty has been imposed on Quartz (Engineered Stone), however customers were prepared for this and have geared up by increasing inventories. With a second set on duties set to be imposed somewhere in December to February the real outcome is yet to be seen and the impact it will have on Natural Stone Industry
- 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
- Work on the Jaipur SEZ unit is under way and construction activities are ahead of schedule

Corporate Social Responsibility and The Aro Charitable Trust

The Rural Health Center located near the Hosur plant, provides free basic healthcare and free basic medicines to over 1,200 patients every month



For any further information, please contact

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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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