



# Aro granite industries Ltd.

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Date: November 3, 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  
5<sup>th</sup> 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.  
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CIN : L74899DLI988PLC031510





# Investor Update – For the Quarter Ending 30<sup>th</sup> September 2020

November 2020



**Aro granite industries Ltd.**

An 100% Export Oriented Unit



# Disclaimer

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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

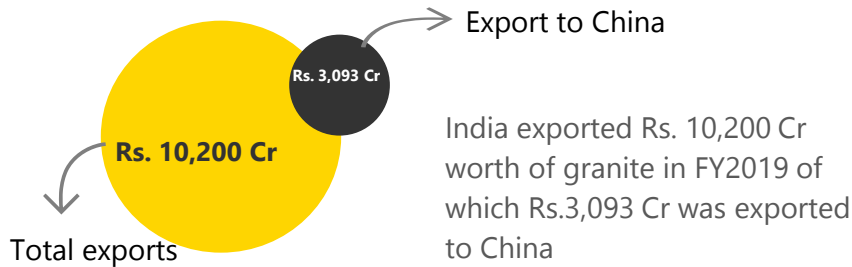
Granite Slab:  
735,000 Square Meters

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, 30.32 % of the total granite were exported to China

Large players finished products are

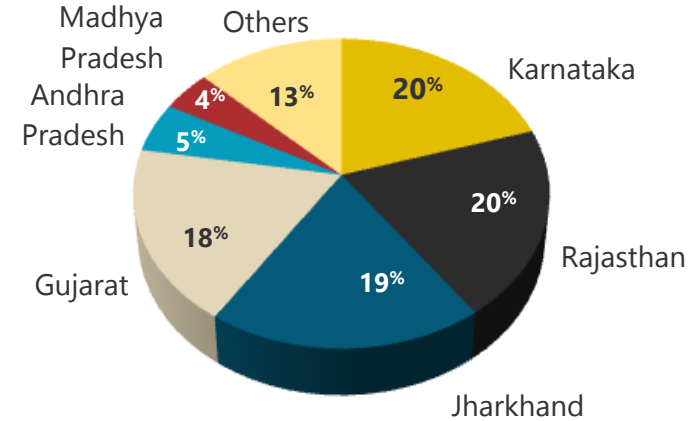
Aro granite industries limited

Pokarna Ltd

Bannari Amman Sugars Ltd

Pacific Industries Ltd

## Statewise Granite Reserves



Source – Indian Mineral Yearbook 2019

# 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





# 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



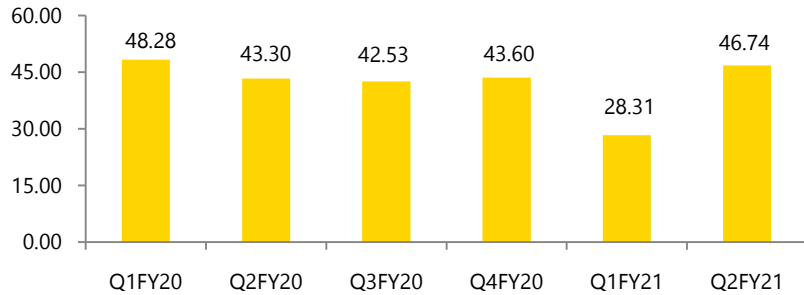
# Financial Performance (Quarterly)

Particulars In Rs. Cr	Q1 FY20	Q2 FY20	Q3 FY20	Q4 FY20	Q1 FY21	Q2 FY21
Sales	48.28	43.30	42.53	43.60	28.31	46.74
Operating Exp	41.51	38.89	38.63	40.16	23.92	39.97
EBITDA	6.91	4.54	4.46	4.44	4.52	6.90
PAT	2.40	0.08	0.66	0.47	0.34	1.89
EBITDA Margins (in %)	14.32%	10.48%	10.48%	10.18%	15.96%	14.77%
Net Profit/Loss Margins (in %)	4.98%	0.18%	1.55%	1.07%	1.20%	4.04%

# Financial Overview (Quarterly)

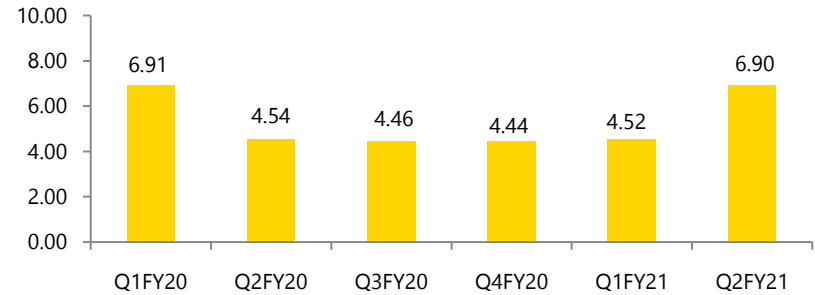
## Revenues from operations

Figures in INR Cr.



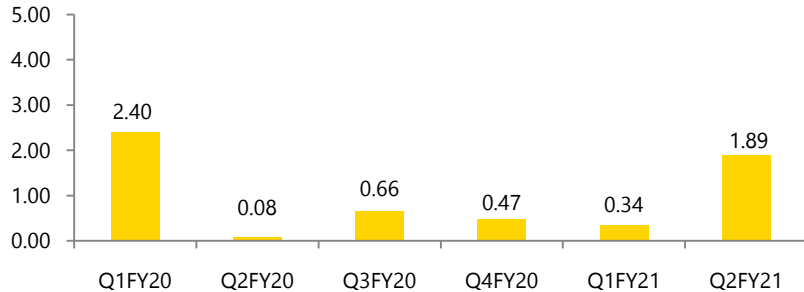
## EBITDA

Figures in INR Cr.

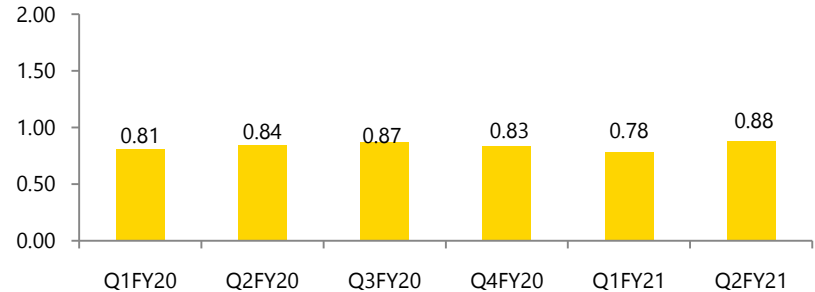


## Profit After Tax

Figures in INR Cr.



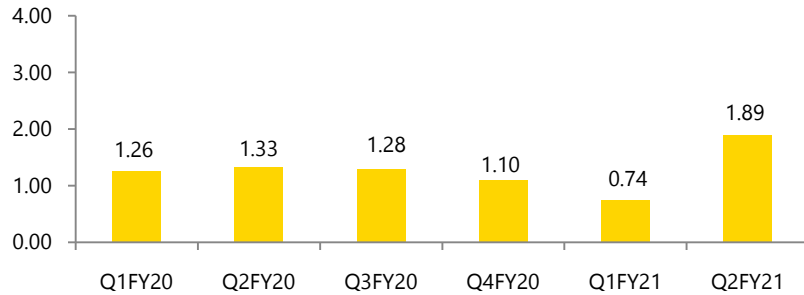
## Debt to Equity Ratio



# Financial Overview (Quarterly)

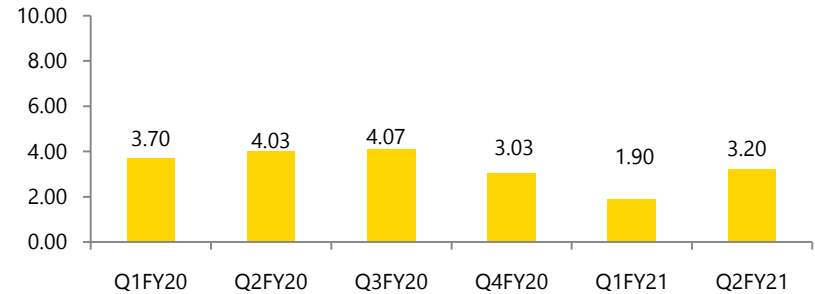
## Sales Volume (Square Meters)

Figures in Lakh Sqm.



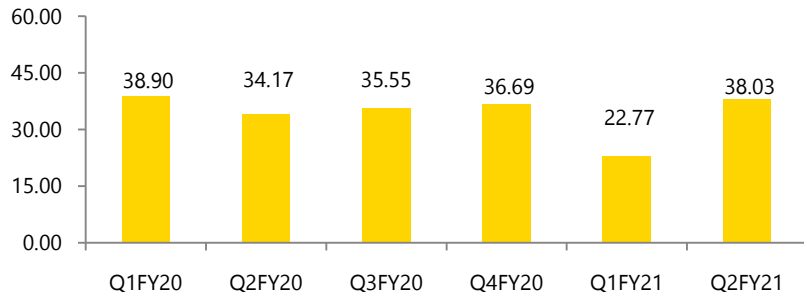
## Raw Material Consumption (Cubic Meters)

Figures in '000



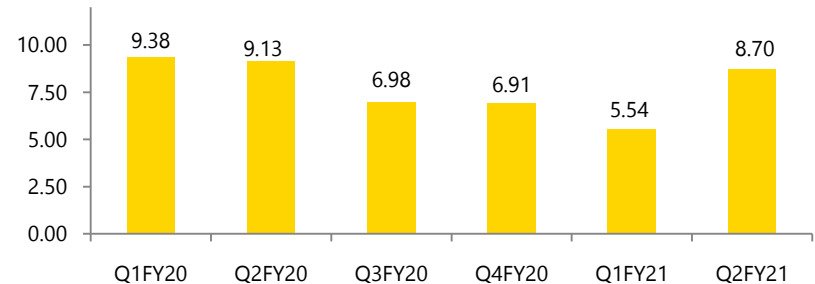
## Segment Sales - Slabs

Figures in INR Cr.



## Segment Sales - Tiles

Figures in INR Cr.



# Financial Highlights (Quarterly)

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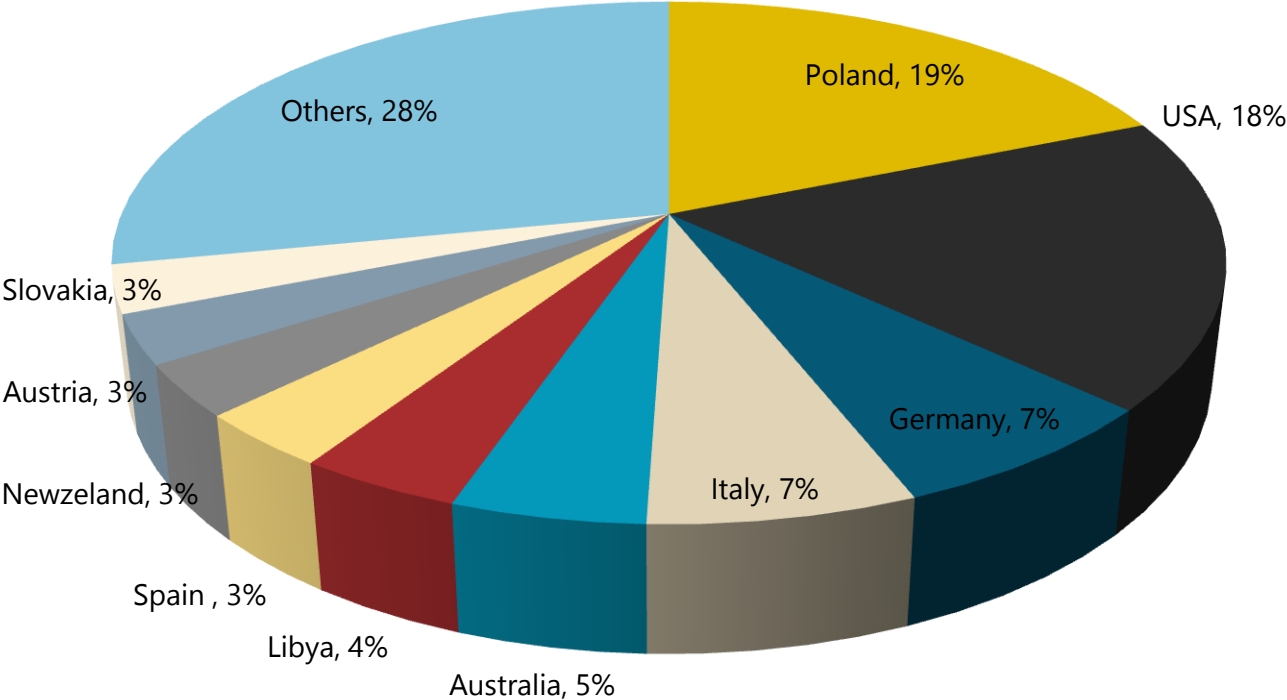
- Sales Increased by 7.94% From 43.30 Cr in Q2 FY2019-20 to 46.74 Cr in Q2 FY2020-21
- EBITDA Increased By 52.04% From 4.54 Cr in Q2 FY2019-20 to 6.90 Cr in Q2 FY2020-21
- PAT Increased By 2347.15% From 0.08 Cr in Q2 FY2019-20 to 1.89 Cr in Q2 FY2020-21
- EBITDA Margins Increased From 10.48% in Q2 FY2019-20 to 14.77% in Q2 FY2020-21

# Operational Highlights (Quarterly)

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- With the quarries operating at very low production levels due to shortage of labour, we faced raw material crunch in our Hosur facility
- Our procurement for raw material was down by 25% even after 3 months of lockdown, but now after September we are seeing large ramp up in the quarries in South India which will ease out the raw material scarcity
- We focused on clearing finished goods inventory, due to non availability of raw blocks and were able to fulfill demands from our global customers
- We increased our domestic sales where we were able to sell our older finished inventory
- With high finished stocks available in our Display warehouse, we were able to sustain our sales post lockdown
- We have been able to reduce our slower moving older inventory of finished goods and raw material, which in turn has released capital and help us procure fresh raw material in coming quarters

# Country wise Exports FY2020





# New Plant (Jaipur)

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- Our initiative to start plant in Jaipur has been quite successful - It accounted for 21% of our total business in H1 FY2021
- The Jaipur operations were less impacted during the Covid-19 lockdown due to raw material crunch as quarries in Rajasthan resumed operations quickly, the post lock down procurements reached similar levels of pre lock down levels within 6 weeks of reopening.
- As a strategy we are continuously increasing our stock of raw material which will help us in maintaining sales when quarry production is slow
- 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, we remain confident on the contribution from the plant

# New Processing Facility (Quartz)

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- 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
- 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 already paid 40% of machine cost. The entire payment to the Chinese Machine supplier is to be spread over 720 Days
- We took up all small works in the quartz plant so that once the Chinese technicians are able to travel to India they only have to check, calibrate and start the machines to start test production at the earliest
- The US International Trade Commission applied a duty of 3.19% on Indian Quartz import which is less than the interim duty. This is a big positive for Quartz exports out of India

# Covid-19 Update

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- We have resumed operations in our Jaipur and Hosur plants with all safety measures to ensure healthy environment for employees
- We are following a strict regimen of proactive detection of symptoms, testing and quarantine
- Employees with slightest of symptoms are being home quarantined without deduction in salary and are allowed to resume work only after negative test results
- We have also 2 doctors on call, and any employees with even mild symptoms have to report to the doctor and can only join back on duty after their clearance
- All these measures have enabled us in recognising a few Covid-19 cases before they spread, and we have been able to minimise the spread of Covid-19 in our organisation
- All work Areas are properly and regular sanitized and face masks are mandatory within the plant premises
- Social distancing is maintained at the work places where possible including the canteens

# Outlook

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1. The operating environment for the granite industry in India has been quite challenging due to shortage of raw blocks, which further got exacerbated during the lockdowns in the last 6 months. Going forward the situation seems to be improving as quarries operations have resumed and the output is ramping up
2. Rajasthan has abundant granite reserves with wide range of color offering and has emerged as significant source of raw material
3. Our Jaipur plant has been successful right from the start and has started to contribute significantly to sales and profits of the company. We are optimistic our returns on this investment will be quite good
4. The Quartz plant is ready and we are waiting for the Chinese technicians, who will only have to check, calibrate and start the machines so that we can start test productions
5. Quartz market share has gone up significantly across the world. We see a good opportunity with the ban on Chinese Quartz in USA. We expect our brownfield Quartz plant to contribute to our growth in the coming years

## For any further information, please contact

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An 100% Export Oriented Unit

**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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