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
Investor Update – For the Year Ending 31st March 2020

June 2020

Aro granite industries Ltd.
An 100% Export Oriented Unit
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

<table>
<thead>
<tr>
<th><strong>Started commercial operation in 1991</strong></th>
<th><strong>Largest processed Granite exporter out of India</strong></th>
<th><strong>100% EOU</strong></th>
<th><strong>SEZ</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>100% export oriented, located at Hosur, Tamil Nadu</td>
<td>Special Economic Zone Unit Located in Mahindra World City, Jaipur</td>
</tr>
<tr>
<td>Supply of over 100 shades of Granite from India and other countries</td>
<td>Export to more than 42 countries</td>
<td>Installed capacity</td>
<td>Listed on NSE Since 2007 &amp; BSE Since 1997 in India</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Granite Slab: 735,000 Square Meters</td>
<td>Granite Tiles: 360,000 Square Meters</td>
</tr>
</tbody>
</table>
Indian Granite Industry

Total exports

$1.6 billion

$442 million

Export to China

India exported $1.6 billion worth of granite in FY2018 of which $442 million was exported to China

China is largest market for Indian raw granite block, 28% of the total granite were exported to China

Statewise Granite Reserves

Source – Indian Mineral Yearbook 2018

Large players finished products are

Aro granite industries limited  Pokarna Ltd  Bannari Amman Sugars Ltd  Pacific Industries Ltd
## 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, Quartzizes, and Special Colours
HOSUR – Tiles

- 4 nos. Multi Blade Block Cutting Centers
- Calibrated and Chemfered tiles
- Over 25 years of experience in tile

<table>
<thead>
<tr>
<th>In 10mm, 13mm, 15mm, 20mm and 30mm</th>
<th>In 13mm, 15mm and 20mm</th>
<th>Special Sizes</th>
</tr>
</thead>
<tbody>
<tr>
<td>305 x 305 mm</td>
<td></td>
<td>400 x 800 mm</td>
</tr>
<tr>
<td>305 x 610 mm</td>
<td>600 x 600 mm</td>
<td>600 x 900 mm</td>
</tr>
<tr>
<td>400 x 400 mm</td>
<td>610 x 610 mm</td>
<td>600 x 1200 mm</td>
</tr>
<tr>
<td>400 x 600 mm</td>
<td></td>
<td>300 x 900 mm</td>
</tr>
<tr>
<td>457 x 457 mm</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
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

<table>
<thead>
<tr>
<th>Slab Plant</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>72 Wire Multi Wire Saw</td>
<td>1</td>
</tr>
<tr>
<td>20 Head Polishing Line</td>
<td>1</td>
</tr>
<tr>
<td>12 head Grinding line</td>
<td>1</td>
</tr>
<tr>
<td>Epoxy lines</td>
<td>2</td>
</tr>
<tr>
<td>CNC Machine</td>
<td>1</td>
</tr>
</tbody>
</table>
## Financial Performance (Annual)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>254.78</td>
<td>215.59</td>
<td>238.65</td>
<td>200.72</td>
<td>172.44</td>
<td>177.71</td>
</tr>
<tr>
<td>Operating Exp</td>
<td>220.97</td>
<td>194.47</td>
<td>207.97</td>
<td>186.94</td>
<td>151.92</td>
<td>159.19</td>
</tr>
<tr>
<td>EBITDA</td>
<td>33.81</td>
<td>21.12</td>
<td>30.68</td>
<td>13.78</td>
<td>25.85</td>
<td>20.35</td>
</tr>
<tr>
<td>PAT</td>
<td>16.69</td>
<td>5.86</td>
<td>12.62</td>
<td>1.17</td>
<td>9.71</td>
<td>3.61</td>
</tr>
<tr>
<td>EBITDA Margins (in %)</td>
<td>15.30%</td>
<td>10.86%</td>
<td>14.75%</td>
<td>7.37%</td>
<td>17.02%</td>
<td>12.78%</td>
</tr>
<tr>
<td>Net Profit/Loss Margins (in %)</td>
<td>7.55%</td>
<td>3.01%</td>
<td>6.07%</td>
<td>0.63%</td>
<td>6.39%</td>
<td>2.27%</td>
</tr>
</tbody>
</table>
Financial Overview (Annual)

### Revenues
Figures in INR Cr.

<table>
<thead>
<tr>
<th>Year</th>
<th>FY2015</th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
<th>FY2019</th>
<th>FY2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>260</td>
<td>216</td>
<td>239</td>
<td>201</td>
<td>172</td>
<td>178</td>
</tr>
</tbody>
</table>

### EBITDA
Figures in INR

<table>
<thead>
<tr>
<th>Year</th>
<th>FY2015</th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
<th>FY2019</th>
<th>FY2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>33.80</td>
<td>21.10</td>
<td>30.70</td>
<td>13.78</td>
<td>25.85</td>
<td>20.35</td>
</tr>
</tbody>
</table>

### Profit After Tax
Figures in INR Cr.

<table>
<thead>
<tr>
<th>Year</th>
<th>FY2015</th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
<th>FY2019</th>
<th>FY2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>16.70</td>
<td>5.90</td>
<td>12.60</td>
<td>1.17</td>
<td>9.71</td>
<td>3.61</td>
</tr>
</tbody>
</table>

### Debt to Equity Ratio

<table>
<thead>
<tr>
<th>Year</th>
<th>FY2015</th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
<th>FY2019</th>
<th>FY2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>0.77</td>
<td>0.90</td>
<td>0.77</td>
<td>0.54</td>
<td>0.71</td>
<td>0.83</td>
</tr>
</tbody>
</table>
Yearly Financial Highlights (Annual)

- Sales increased by 3.06% From Rs. 172.44 Cr in FY2018-19 to Rs. 177.72Cr in FY2019-20
- EBITDA Decreased By 21.29% From Rs. 25.85 Cr in FY2018-19 to Rs. 20.35Cr in FY2019-20
- PAT Decreased By 62.87% From Rs. 9.71 Cr in FY2018-19 to Rs. 3.61Cr in FY2019-20
- EBITDA Margins Decreased From 14.99% in FY2018-19 to 11.45% in FY2019-20
- Sales Volume increased by 6.19% from 4.69 lakh sq. Meter in FY2018-19 to 4.98 lakh sq. Meter in FY2019-20
- Debt equity ratio improved from 0.87 in FY2018-19 to 0.83 in FY2019-20
## Financial Performance (Quarterly)

<table>
<thead>
<tr>
<th>Particulars In Rs. Cr</th>
<th>Q3 FY19</th>
<th>Q4 FY19</th>
<th>Q1 FY20</th>
<th>Q2 FY20</th>
<th>Q3 FY20</th>
<th>Q4 FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>39.78</td>
<td>46.97</td>
<td>48.28</td>
<td>43.30</td>
<td>42.53</td>
<td>43.60</td>
</tr>
<tr>
<td>Operating Exp</td>
<td>32.36</td>
<td>38.69</td>
<td>41.51</td>
<td>38.89</td>
<td>38.63</td>
<td>40.16</td>
</tr>
<tr>
<td>EBITDA</td>
<td>7.42</td>
<td>8.28</td>
<td>6.91</td>
<td>4.54</td>
<td>4.46</td>
<td>4.44</td>
</tr>
<tr>
<td>PAT</td>
<td>4.16</td>
<td>3.46</td>
<td>2.40</td>
<td>0.08</td>
<td>0.66</td>
<td>0.47</td>
</tr>
<tr>
<td>EBITDA Margins (in %)</td>
<td>18.65%</td>
<td>17.62%</td>
<td>14.32%</td>
<td>10.48%</td>
<td>10.48%</td>
<td>10.18%</td>
</tr>
<tr>
<td>Net Profit/Loss Margins (in %)</td>
<td>10.47%</td>
<td>7.37%</td>
<td>4.98%</td>
<td>0.18%</td>
<td>1.55%</td>
<td>1.07%</td>
</tr>
</tbody>
</table>
Financial Overview (Quarterly)

**Revenues from operations**
Figures in INR Cr.

- Q3FY19: 39.78
- Q4FY19: 46.97
- Q1FY20: 48.28
- Q2FY20: 43.30
- Q3FY20: 42.53
- Q4FY20: 43.60

**EBITDA**
Figures in INR Cr.

- Q3FY19: 7.42
- Q4FY19: 8.28
- Q1FY20: 6.91
- Q2FY20: 4.54
- Q3FY20: 4.46
- Q4FY20: 4.44

**Profit After Tax**
Figures in INR Cr.

- Q3FY19: 4.16
- Q4FY19: 3.46
- Q1FY20: 2.40
- Q2FY20: 0.08
- Q3FY20: 0.66
- Q4FY20: 0.47

**Debt to Equity Ratio**

- Q3FY19: 0.62
- Q4FY19: 0.71
- Q1FY20: 0.81
- Q2FY20: 0.84
- Q3FY20: 0.87
- Q4FY20: 0.83
Financial Overview (Quarterly)

Sales Volume (Square Meters) Figures in Lakh Sqm.

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q3FY19</th>
<th>Q4FY19</th>
<th>Q1FY20</th>
<th>Q2FY20</th>
<th>Q3FY20</th>
<th>Q4FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volume</td>
<td>1.06</td>
<td>1.24</td>
<td>1.26</td>
<td>1.33</td>
<td>1.28</td>
<td>1.10</td>
</tr>
</tbody>
</table>

Raw Material Consumption (Cubic Meters) Figures in '000

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q3FY19</th>
<th>Q4FY19</th>
<th>Q1FY20</th>
<th>Q2FY20</th>
<th>Q3FY20</th>
<th>Q4FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumption</td>
<td>3.47</td>
<td>3.34</td>
<td>3.70</td>
<td>4.03</td>
<td>4.07</td>
<td>3.03</td>
</tr>
</tbody>
</table>

Segment Sales - Slabs Figures in INR Cr.

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q3FY19</th>
<th>Q4FY19</th>
<th>Q1FY20</th>
<th>Q2FY20</th>
<th>Q3FY20</th>
<th>Q4FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>30.92</td>
<td>38.69</td>
<td>38.90</td>
<td>34.17</td>
<td>35.55</td>
<td>36.69</td>
</tr>
</tbody>
</table>

Segment Sales - Tiles Figures in INR Cr.

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q3FY19</th>
<th>Q4FY19</th>
<th>Q1FY20</th>
<th>Q2FY20</th>
<th>Q3FY20</th>
<th>Q4FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>8.86</td>
<td>8.28</td>
<td>9.38</td>
<td>9.13</td>
<td>6.98</td>
<td>6.91</td>
</tr>
</tbody>
</table>

Q3FY19  Q4FY19  Q1FY20  Q2FY20  Q3FY20  Q4FY20
Financial Highlights (Quarterly)

- Sales declined by 7.17% From 46.97 Cr in Q4 FY2018-19 to 43.60 Cr in Q4 FY2019-20
- EBITDA Decreased By 46.35% From 8.28 Cr in Q4 FY2018-19 to 4.44 Cr in Q4 FY2019-20
- PAT Decreased By 86.56% From 3.46 Cr in Q4 FY2018-19 to 0.46 Cr in Q4 FY2019-20
- EBITDA Margins Decreased From 17.62% in Q4 FY2018-19 to 10.18% in Q4 FY2019-20
Country wise Exports FY2020

- Poland, 19%
- USA, 18%
- Germany, 7%
- Italy, 7%
- Australia, 5%
- Libya, 4%
- New Zealand, 3%
- Spain, 3%
- Austria, 3%
- Slovakia, 3%
- Others, 28%

Libya, 4%

Australia, 5%
New Plant (Jaipur)

- The Jaipur plant became operational from 1st August 2019 and we started exports from the plant in the first month itself.
- The plant was setup in Jaipur to save on transportation costs due to proximity of large number of granite quarries in Rajasthan.
- Our initiative to start plant in Jaipur has been quite successful - Within 8 months of starting operations it accounted for 8% of our total sales in FY2020.
- 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.
New Processing Facility (Quartz)

- 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.

- We started work on Quartz plant in March 2019, and it was expected to be ready by March 2020.

- The Chinese technicians returned to China at the end of January for Chinese New Year, and were unable to return to complete the set up process due to the Travel Ban caused by the COVID 19 Pandemic

- 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 paid 40% of machine cost. The entire payment to the Chinese Machine supplier is to be spread over 720 Days

- The Cost burden due to Covid-19 delay in Quartz plant commissioning has been marginal and is largely an opportunity cost

- The US International Trade Commission applied a duty of 3.19% on Indian Quartz import which is less than the interim duty.
COVID 19 Update

- Our business was also impacted by Covid-19 and our Hosur and Jaipur plants were shut down from March 24.

- Raw material availability has worsened as most of the quarries in South are unable to open due to shortage of labor.

- As of June end more than 50% of the quarries are yet to operate at even one third capacity, with only a hand-full working above 70% capacity.

- In the north however quarries are quicker to reopen and we expect the majority of them to operate at 75% or more by October 2020.

- As on date we have good numbers of export orders in hand but we are not able to execute them due to inadequate availability of raw material.
1. The operating environment for the granite industry in India is quite challenging due to shortage of raw blocks are limited operating quarries, Covid-19 has worsened raw material situation as most of the quarries are unable to operated at previous levels

2. Rajasthan has abundant granite reserves with huge colours offering and has emerged as significant source of raw material

3. Since all our Bank loan and working capital limits are exposed to foreign currency fluctuations, during the year the exchange loss was approximately Rs. 9.00 Crores as per the AS 11 Accounting Standard, which is a notional entry only.

4. During the year our past GST refunds backlog has been cleared by the government, and we have only current GST refunds pending
For any further information, please contact

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Aro granite industries ltd.
An 100% Export Oriented Unit

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Corporate Office & Works: Koneripalli Village, Shoolagiri (Via), Hosur (TK) - 635 117, Tamilnadu, INDIA.

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