



Investor Update – For the Quarter Ending 30th September 2016

October 2016



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 , 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}

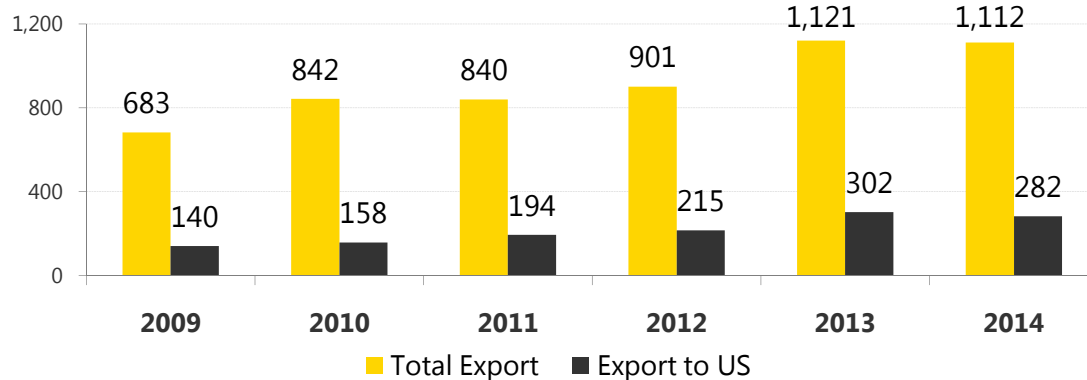
Market size approximately \$2.62 bn.

9%

Accounts for more than 9% of the world stone exports

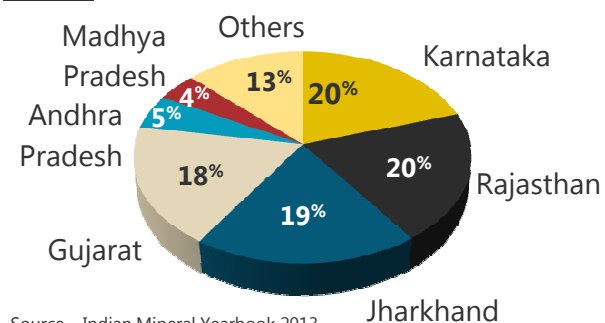
India Processed Stone Export

Figures in USD \$ Mn.



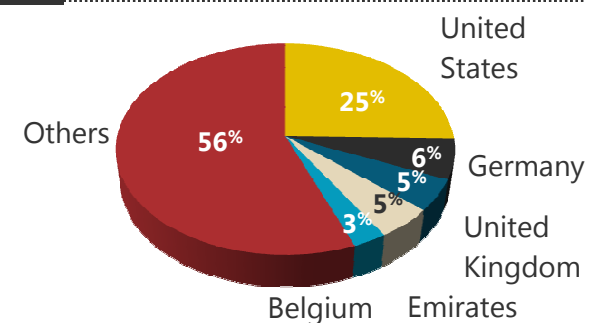
Source - XXVI world marble and stones report 2015

Statewise Granite Reserves



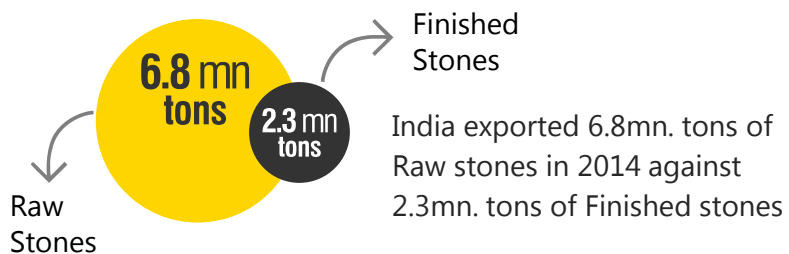
Source - Indian Mineral Yearbook 2013

India Stone Export (%)



Source - XXVI world marble and stones report 2015

Indian Granite Industry



Large players finished products are

Aro granite industries limited

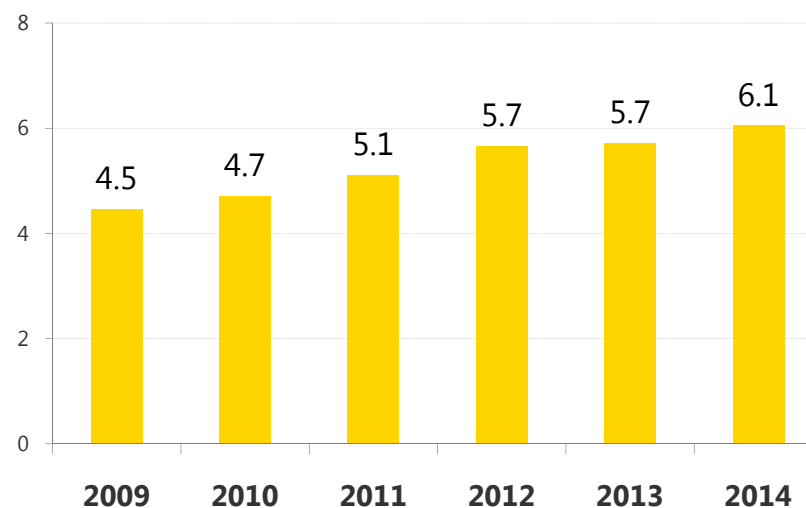
Pokarna Ltd

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

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



Awards & Updates

- For the second year in the row we have received the TOP EXPORT AWARD* from CAPEXIL for the top export of Natural Stone (Granite, Marbles, Slates, - Tiles, Slabs, Blocks etc)
- Though the Indian Natural Stone Industry went through a difficult year in 2015-16 new quarries in the north (Rajasthan) and a few new quarries in Tamil Nadu have helped us in sales and availability of raw materials
- Markets from Africa and South America have opened up during the end of the Quarter and are expected to further open up by Q4.

*The award is for the financial year 2013-14 the latest edition of the awards ⁷

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.
- Pending works – Road work, landscaping, external/ street lighting, office completion



Cut To Size

- During September 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.
- In the US we have supplied materials for
 - Vanity Tops in Marriot, Washington DC
 - Vanity Tops for Condos in Chicago
 - 3000 sft of Black Flooring for the Renovation of the Ritz, Chicago



Financial Performance

Particulars In Rs. Cr	Q1 FY16	Q2 FY16	Q3 FY16	Q4 FY16	Q1 FY17	Q2 FY17
Sales	59.85	60.39	45.32	50.02	67.13	63.76
Operating Exp	56.37	56.54	46.69	50.38	60.94	55.54
EBITDA	7.09	7.45	2.12	5.96	9.63	8.22
PAT	1.42	2.83	-0.39	2.01	5.00	3.33
EBITDA Margins (in %)	11.85	12.34	4.68	11.92	14.35	12.89
Net Profit/Loss Margins (in %)	2.37	4.69	-0.86	4.00	7.45	5.22

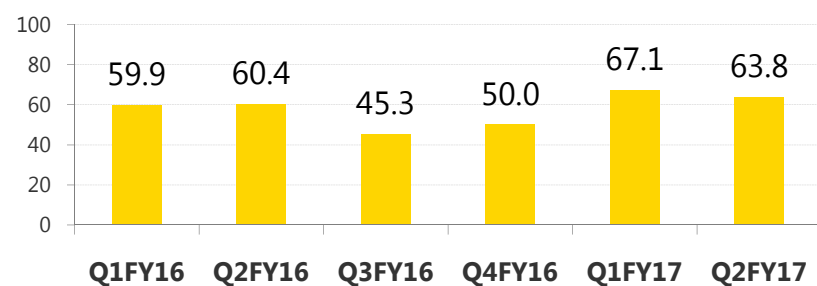
Financial Highlights

- Sales Increased by 5.59 % From 60.39 Crores in Q2 FY 2015-16 to 63.76 Crores in Q2 FY 2016-17
- EBDITA Increased by 25.08 % from Rs 6.57 Crores in Q2 FY2015-16 to Rs 8.22 Crores in Q2 FY2016-17
- PAT Increased by 17.59 % from Rs 2.83 Crores in Q2 FY2015-16 to Rs 3.33 Crores in Q2 FY2016-17
- EBITDA Margin increased by 2% from 10.88 % in Q2 FY 2015-16 to 12.89 % in Q2 FY 2016-17

Financial Overview (Quarterly)

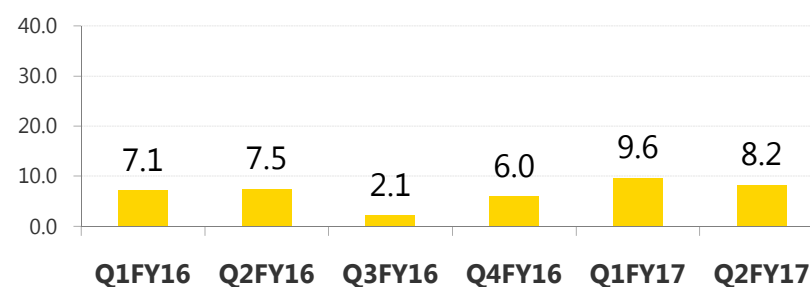
Revenues

Figures in INR Cr.



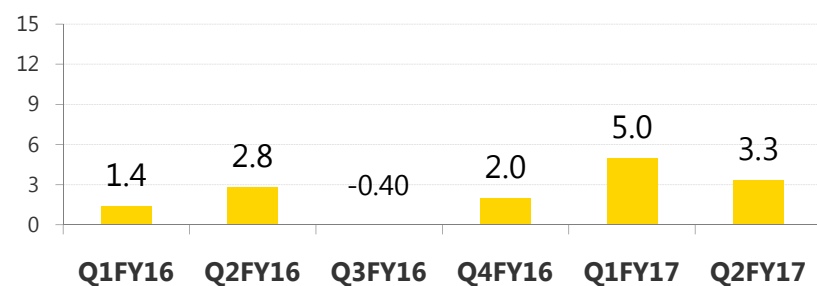
EBITDA

Figures in INR Cr.

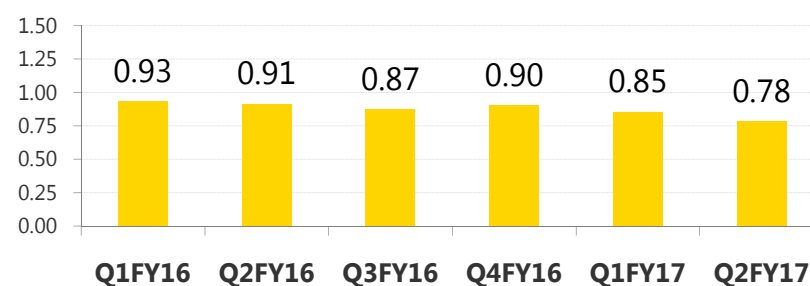


Profit After Tax

Figures in INR Cr.



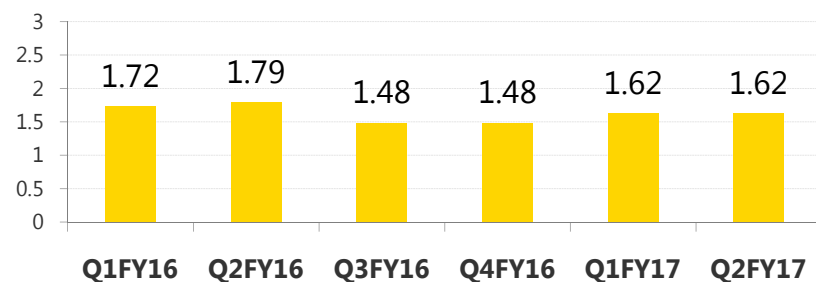
Debt to Equity Ratio



Financial Overview (Quarterly)

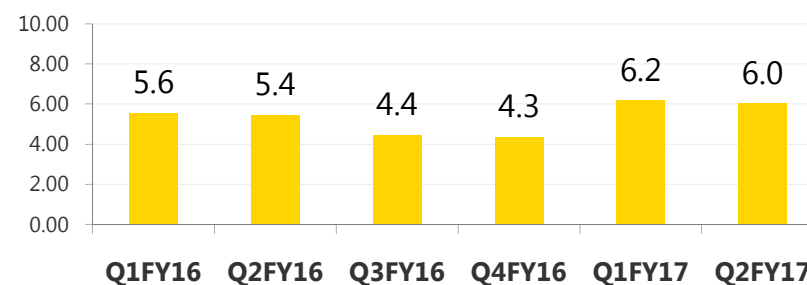
Sales Volume (Square Meters)

Figures in Lakh Sqm.



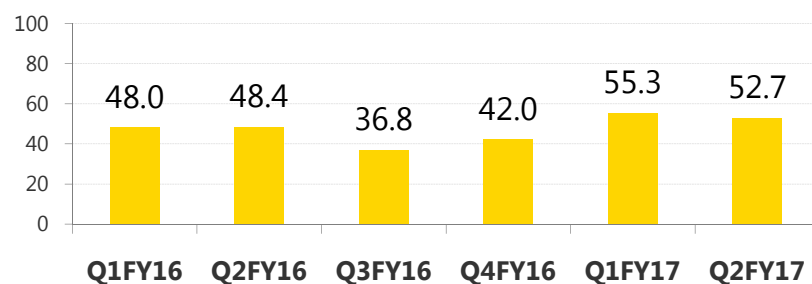
Raw Material Consumption (Cubic Meters)

Figures in '000



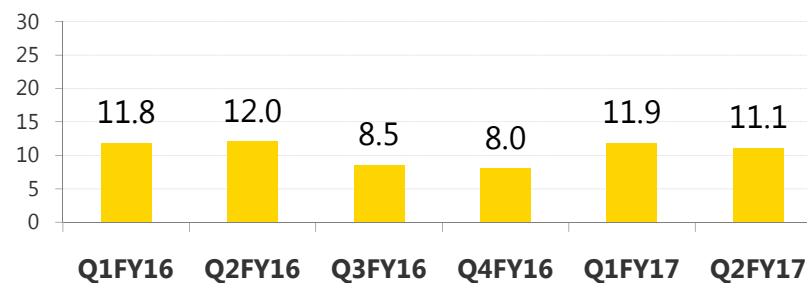
Segment Sales - Slabs

Figures in INR Cr.



Segment Sales - Tiles

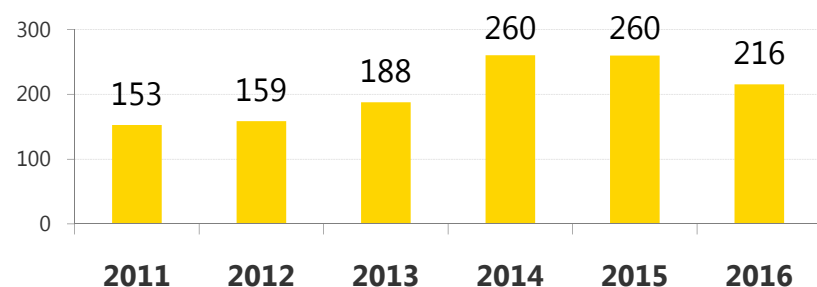
Figures in INR Cr.



Financial Overview (Annual)

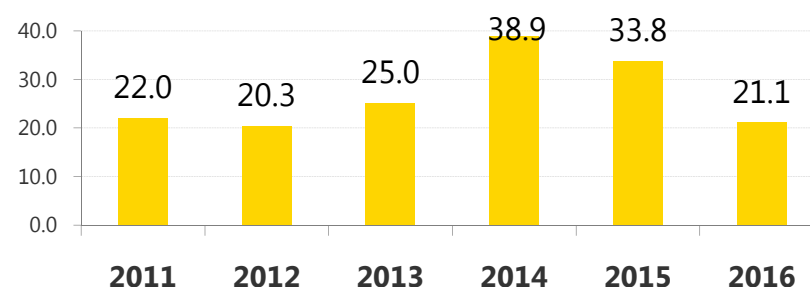
Revenues

Figures in INR Cr.



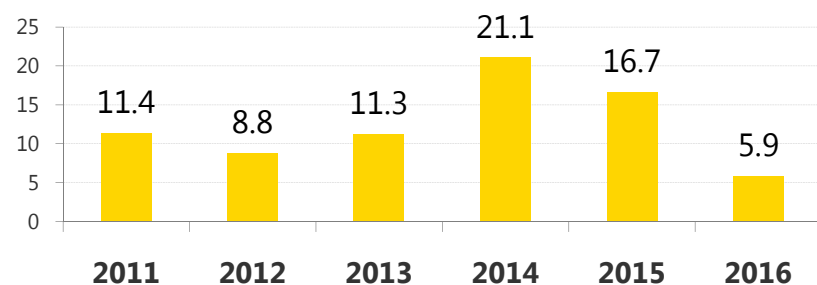
EBITDA

Figures in INR

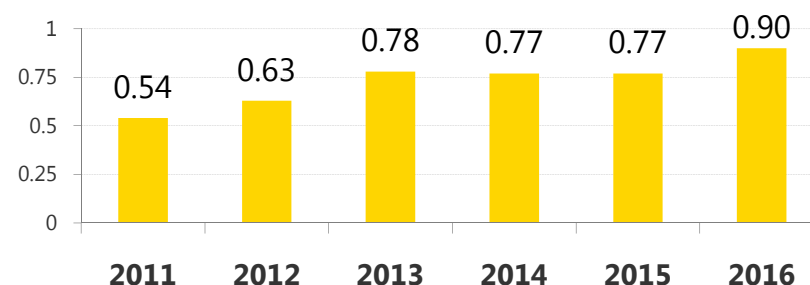


Profit After Tax

Figures in INR Cr.

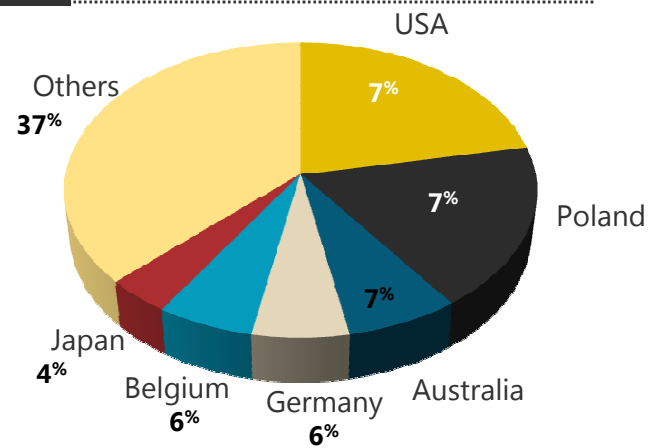


Debt to Equity Ratio

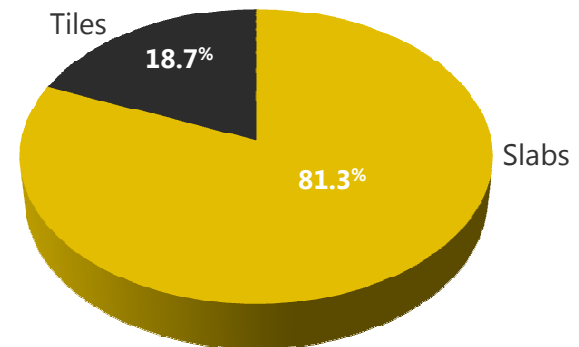


Sales Breakup FY2016

Top 5 Countries



Segments



Outlook

- In the coming quarter we plan to start full swing production with our 2 CNC machines (being installed in September 2016) for CUT-TO-SIZE
- CUT-TO-SIZE is a value added process, that will allow us to sell products at better margins
- We Plan to further commission the warehouse helping us
 - Optimize WIP
 - Better display of Finished Goods stock to improve visibility
- Optimize current processes to become more efficient and install the ERP
- We exhibited in the Xiamen Stone Fair 2016 and plan to exhibit in 2017 also to help open up new markets to us like some Asian markets (mainly for CUT-TO-SIZE projects)

For any further information, please contact

Sabyasachi Panigrahi
Aro granite industries ltd.
sabyasachi@arotile.com
+91 11 41686169

Gaurav Sud
Kanav Capital Advisors Pvt. Ltd.
gaurav@kanavcapital.com
+91 98101 22432



Aro granite industries ltd.

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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