



Aro granite industries Ltd.

Regd. Office : 1001, 10th Floor, DLF Tower A, Jasola, New Delhi - 110 025.
Phone : 91-11- 41686169, Fax : 91-11- 26941984, E-mail : arodelhi@arotile.com

Date: November 11, 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
5th Floor, Exchange Plaza
Bandra (E)
Mumbai 400051
(SCRIP CODE: AROGRANITE/EQ)

Dear Sir,

Please find enclosed herewith a copy of the transcript of the conference call with the investors held on 06.11.2020

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





“ARO Granite Industries Limited Q2 FY2021 Results Conference Call”

November 06, 2020



ANALYST:

MR. GAURAV SUD - KANAV CAPITAL

MANAGEMENT:

**MR. SUNIL ARORA - MANAGING DIRECTOR - ARO
GRANITE LIMITED**

**MR. SAHIL ARORA - WHOLE TIME DIRECTOR - ARO
GRANITE LIMITED**

**MR. MADANGOPAL - CHIEF FINANCIAL OFFICER -
ARO GRANITE LIMITED**

**MR. SABYASACHI PANIGRAHI – COMPANY SECRETARY
-ARO GRANITE INDUSTRIES LIMITED**



ARO Granite Industries Limited
November 06, 2020

Moderator: Ladies and gentlemen, good day and welcome to the ARO Granite Limited Q2 FY2021 on a Conference Call hosted by Kanav Capital Advisors. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing “*” then “0” on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Gaurav Sud from Kanav Capital Advisors. Thank you and over to you Sir!

Gaurav Sud: Thanks Karuna. Welcome everyone and thanks for joining this Q2 FY2021 earnings call for ARO Granite Industries. The results and investor updates have been mailed to you and it is also available on the stock exchange. In case anyone does not have a copy of the press release, please do write to us and we will be happy to send it over to you.

I hope all of you are safe and wish a good health for your family and you during this period of COVID pandemic. To take us through the results of this quarter and answer your questions, we have today with us, Mr. Sunil Arora, Managing Director, Mr. Sahil Arora, Whole Time Director, Mr. Madangopal, CFO and Mr. Sabyasachi Panigrahi, Legal Head and Company Secretary.

We will be starting the call with a brief overview of the company’s performance and then we will follow up with a Q&A session. I would like to remind you all that everything said on this call that reflects any outlook for the future, which can be construed as a forward-looking statement must be viewed in conjunction with uncertainties and risks that they face. These uncertainties and risks are included but not limited to what we have mentioned in the prospectus filed with SEBI and subsequent annual reports, which you will find on our website.

With that said I now turnover the call to Mr. Sahil Arora. Over to you Sahil!

Sahil Arora: Thank you Gaurav. The management of ARO Granite Industries Limited welcomes you to Q2 2021 investor concall. Thank you for taking out time for attending this call. After an extremely challenging Q1 that are shopping by the lockdown, performances improved and we were able to see an increase in sales from the previous year’s Q2. In Q2 2021 sales increased to 46.74 Crores.

After an extremely challenging Q1 that was impacted by the lockdown, our performance in Q2 improved and we were able to see an increase in sales from the previous year’s Q2. In Q2 2021, sales increased to Rs. 46.74 Crores from Rs. 43.3 Crores in Q2 2020 and we also managed to improve the profitability with the data increasing by 52%.

Profit after tax increased by 2347%. The effect of COVID 19 has a worldwide economic effect and we all know this. We would like to look at what the pandemic has brought has taught us. We



ARO Granite Industries Limited
November 06, 2020

have sales to more than 45 counties around the world and thanks to our loyal customers that we had been able to outperform previous year's Q2.

Travel has been restricted and has been integral part of our business over the past 30 years. The travel was restricted not only for us but more importantly for our customers as well. They put more faith in us through honesty and integrity we have been able to capitalize on these long-lasting relationship and our performance says that.

Our employees also have shown a lot of discipline and support during these times. We have implemented many safety protocols throughout the organization. All work areas are properly and regularly sanitized and face covers are mandatory. Social distancing is maintained at work places were possible including canteen where we have reduced the number of chairs. Some years now we had doctors on call in the factory to run our Occupational Health Center for our employees and our rural has center for the surrounding villages.

Any employee showing any symptoms reports to these doctors for evaluation and then immediately quarantine before being tested. They only resume work post receiving the negative COVID 10. After lockdown we had faced huge raw material shortages in Hosur. With most of the labours in the quarries having returned to their native, quarry operations had been very slow.

It is only in September that do we see a large ramp up in the operations in the quarries of the south. With the shortage of raw material, we focused on reducing a finished good stock. None of our customers could visit us. We set up new videoconferencing systems to interact with them. We also increased our domestic or sales to a large extent to clear old inventories. As this is the natural stone in the industry, we need to buy raw material when it is available hence we usually maintain high levels of inventory.

It is this level of inventory that has sustained our sales post lockdown. Our procurement of raw material was down by 60% of pre-lockdown levels. Jaipur has been a big boost for us as quarries do not employ a large workforce of migrant labors. Hence we did not face a big raw materials crunch in the north. This has resulted in Jaipur contributing to 21% of the total sales for the quarter.

We also took up all small works in a Quartz plant, so that once the Chinese technician are able to travel to India, they only have to check, calibrate and start the machines so that we can start test production at the earliest. We are also exploring the avenue to remotely start up these machines with the help of the Chinese technicians.

Even though unprecedented pandemic and seen many challenges the company has come out with a good performance due to our strong fundamentals. It is with optimism we look at the future and with the continued support of all stakeholders we look forward to a bright future.



ARO Granite Industries Limited
November 06, 2020

We would like to thank you all for allowing onto this concall. We hope that you and your families are all safe and you remain healthy. We now opened the concall for questions.

Moderator: Thank you very much Sir. Ladies and gentlemen, we will now begin the question and answer session. The first question is from the line of Aman J an individual investor. Please go ahead.

Aman J: My first question is can you please try to differentiate between the Bretonstone machines and the machines that we are using for our Quartz line? What are the differences and why do people make such a big issue about Bretonstone machine. That is the first. Related to this first question is the second question which is almost the Chinese have the duty structure today and a kind of killing the industry in China and lot of Chinese manufacturers are looking to move the machines to different regions including India, vantage do we have, why do we really all to get into a field, which is overcrowded? This is my second question. My third question on similar lines is that. Whether it is Quartz or natural granite, both of them are useful countertops majorly the usages. We also have seen that Caesarstone US Company acquired an Indian company, which manufactures portion in based countertops. So if you could touch on that point, that would also be very, very helpful and that is pretty much it from my side. If you could explain on these that could be helpful in understanding the industry. The fourth question is on granite for themselves. So we have seen that that most of the US market is now being taken away by Brazil majorly because of the depreciation in their currency. How do you see this impacting us and other players in the industry who were dependent on the US markets for exports? That is it from my side Sir. Thank you.

Sahil Arora: Let me answer some of the questions that you raised. The major difference between Bretonstone Technology and the Chinese Technology is price. The Bretonstone Technology costs roughly about 4 times of the cost of Chinese lines with a comparable capacity. However, the Bretonstone Technology is a little bit more efficient, but that does not justify the increase in cost by four times, and that is why we decided to go for the Chinese technician.

Sunil Arora: I do not think that we should be the first company to come up with this technology almost 25 years ago. After that the Chinese had been developing this machinery and lately I would say last 5 years they have improved a lot. Sir, just if you ask me five years before we would not have decided for the Chinese machinery, but now their quality, they have put of their system are as good as I would say is not 100% make returns, but equally good the kind of capacity they make it hence that is the reason we had gone for Chinese machine. Finishing we are still going with the Italian machinery, which we already have, existing in our factory.

Sahil Arora: The second part you asked, is why we are present, predominantly because as you mentioned our US sales has been declining because of the increase in Quartz or the Brazilian granite. So to capture that market back, first that we did is we set up an association in Jaipur. The Jaipur colors are very prominent in the US market and they are very well. So that segment is doing very well



ARO Granite Industries Limited
November 06, 2020

for us. The second part is that we want to capture among the Quartz market and as you rightly pointed out granite and Quartz and porcelain they are all used predominantly for countertops. So the channel of sales is the same, so we are utilizing already are existing old relationships with our customers to tap into that and capture more of their purchases or to capture no more sales with our existing customers. That is the other reason why we wanted to get into Quartz and it is not only the US market that light Quartz but it also the UK market, Australia, these are the other two major markets. So that is why we are looking into entering this area and we feel that is where one of our strong points will help us sustain in this business is because of our integrity and the trust that they have in us. This is being manufactured product or the quality parameters very easily set unlike granite or natural stone where this is the natural product. So once these quality parameters are set it becomes very easy for us to continue working in that aspect. Then lastly you mentioned about on purchasing this porcelain countertop market. Porcelain is very relatively a new countertop of material, but as far as we see it is still not as successful mainly because the machinery that is required to cut granite, marble and Quartz into the final countertops is the same. There is no different. You can use the same blade, you can use the same diamonds, you can use everything the same, but for porcelain you have to employ new techniques and use more sophisticated machinery. So it is still yet to develop worldwide and we also see that it is not widely accepted even now.

Sunil Arora:

One more the project cost for ceramic porcelain plates. It is almost like 10 times more than the Quartz what we have done now. The biggest advantage we have right now is that the Quartz plant has been set up in our existing unit, so we need not buy a new land. We have more extra infrastructure to be built. We have the same overheads what we already had with us, like have you, like Sahil explained that the granite business has been slightly and especially in USA has been taken over by Quartz, like 5 years ago, Lakshmi Steel used be 80% and Quartz used to be 20%. Today it is the other way around, 80% is Quartz 20% Lakshmi Steel and the same about the USA market. So to tap that market, we have put up a small unit within this existing facility with the minimum overheads and finishing the existing plant. Since the granite business had gone down from last 5 years, not only because of the market demand also for the shortage of the raw material in our area so this is the best resolution what we have done to keep the existing units at par would be expenses we have.

Sahil Arora:

Also we would like to point out that US is the large market for us but it is no longer the largest market with Europe dominating most of our sales.

Aman J:

Just one or two follow-up questions, if I able to look at you know, somebody like POKORNA now has done who has been in the market either in the segment. I am just coming up with your capacity, as an end customer, what would differentiate between other than of course the brand that sells them what is the key differentiation? Is it the designs? Because as said like you know Bretonstone and Chinese technologies are pretty at par today. So what is the key differentiator for an end customer? That is my first question. My second question is what kind of future do you see



ARO Granite Industries Limited
November 06, 2020

for Quartz in India. I would assume that Quartz given are the lowest to compare granite versus quartz in India it is like even the lowest grade the Quartz would be like 3x, 4x more expensive than the granite. So why do you see you know this shift happening where people actually start moving from granite to Quartz if you could touch on India opportunity and the other question?

Sahil Arora: Actually part of your question that the main difference between the Bretonstone Company and the Chinese Machinery Company is the brand does value, brand does have expenses. Of course some people do value brand, some people are not concerned about brand. One of the other reasons why we decided to put off the Chinese plant is because most of our customers are requiring OEM products. They have their own brand. So a company located in New York will set up their own Quartz brand possibly for them because we see that in the past, a lot of the companies that are creating brands use the existing distributors in a certain locations to gain market shares and instead of their own warehouses over there. So the wholesalers are assigned, the P leg is signed that they set up their own brand have their own presence, they keep their own customers to themselves.

Sunil Arora: As regard to your domestic market question, we are 100% to export oriented unit. As of now also we export 95% only 5% of is just to sell in domestic market. So same thing we will do for the Quartz. So Quartz will be to our major infrastructure towards export only and some products we will be able to sell in the domestic market.

Aman J: I understood. Thank you sir.

Moderator: Thank you. The next question is from the line of Siddharth Agarwal from Prudent Value Partners. Please go ahead.

Siddharth Agarwal: Good afternoon Sir. Thank you for giving me the opportunity and congratulations for a good set of numbers given the circumstances. Now Sir starting from raw material side you mentioned that the raw material has a loyalty has been a concern for the industry and because of the lockdown it felt worse. So what is the situation as of now in both south Hosur, as well as Jaipur, the raw material availability?

Sahil Arora: As far as Jaipur is concerned like I explained, we are able to arrange the raw material because there the laborers has been available and the quarries of functioning as normal like pre-COVID and we are able to arrange the block to our full capacity for the Jaipur plant. For Hosur plant, for South plant we were as it is having the shortage of raw material even pre-COVID. So now it has become even worse. The reason has been which we have been explaining many times earlier that we more than 1000 quarries had closed down in Madurai sector about 4 to 5 years back and that is leading to the shortage, so we are depending on the few quarries and those few quarries, yes shortage of labor is there. There are more units, more demand. If we still do have shortage of raw materials, but we are still able to manage and we are able to work as per our requirements.



ARO Granite Industries Limited
November 06, 2020

- Sunil Arora:** Just to add on to that October month was similar levels to pre-COVID. So it has taken them 4-5 months to ramp up the production. Not only because of the shortage of labor, but also because it is rainy season and that also affect their quarry operations. So overall we have seen that the rains have slowed down, labour is available so we will see that quarry production will reach pre-COVID level.
- Sahil Arora:** Also to add to compensate for a shortage of raw materials, we import almost like 30% of our requirements from Brazil, Africa and other countries.
- Siddharth Agarwal:** Because of shortage of the raw material how is the pricing of the raw material changed? Is it same or has it also gone up because of the shortage?
- Sahil Arora:** Initially we did see a slight increase on the raw material costing, but overall it has again stabilized back to pre-COVID level.
- Siddharth Agarwal:** Okay. So it is almost like pre-COVID levels now. It is not materially different from what it was earlier.
- Sahil Arora:** It is the same like pre-COVID level. There is not any substantial increase in the raw material costing.
- Siddharth Agarwal:** Sir we also mentioned in our presentation that because of our available inventory we were able to you know liquidate a lot of our inventory to meet our sales. So that is why our sales did not accept to the same extent as the production was. But looking at the balance sheet the inventory levels have only reduced from 129 Crores to 126 Crores of raw material decrease in inventory levels?
- Madangopal:** Actually the reason why it is not reflecting in the balance sheet is because tweprocured raw material due to shortage of raw material as well as Jaipur, they have some inventory there. So that is the reason fonot much reduction in Stocks
- Siddharth Agarwal:** Both the products like granite, or all our premium products so what we sell in the domestic market do we give some discounts or is it very higher end of domestic market that we cater to, how does that work?
- Sahil Arora:** We cater to two different markets in for domestic markets, either the extremely high end or market where they are looking at prices of Rs.10000 per square meter plus or the really low and of the market, which will be basically our export we get that we sell in the local markets. It will be from a first slab basis to starting at about Rs.1800 square per meter. That is the kind of range that we have. We have two distinct of market where either export resets or if ultra give or take high end materials.



ARO Granite Industries Limited
November 06, 2020

- Siddharth Agarwal:** Sir also given the situation that we have on the raw material side and given that in the Hosur our production facilities are much bigger than Jaipur. So is there any plan to either expand the Jaipur capacities further or may move some of the machinery, if possible from Hosur also to Jaipur to optimize utilization a little bit more?
- Sahil Arora:** Jaipur we just started last year in August. It is not even one year now. Definitely, we will look in future looking at the market condition. At this point of time, yes we have not applied mine unit. Yes in future we will look at it.
- Siddharth Agarwal:** Finally on the Quartz plant, just to harp in pending duty or travel ban of the Chinese technicians, but that assumingly that happens in the next few months or sooner. So can we expect that you know what the plant start given the credibility and our relationship with our client, we should we able to ramp up pretty soon to achieve a good utilization? Because we keep on hearing that there are the no movement in the demand in the US and market is very strong these days so in that a reasonable expectation that sooner the plan starts, we should be able to ramp up the utilization very soon or they should not take a very long to utilize the plant?
- Sahil Arora:** Compared to our granite business, the Quartz volume is not very substantial. So the customers that had been working within US are pretty large customers and they require a lot of volumes. So to be very honest with you, I think with four or five of our existing customers in the US we will be back full capacity.
- Sunil Arora:** Basically we have the very good Chinese technician to come and start the machinery like they were supposed to come in February this year, now in fact we got a mail today also from them. So they are working on it and we are hopeful that by end of this year they should be here and from January onward we can start trial production.
- Siddharth Agarwal:** Sir my last question is DDO sale is usually around 5% of revenue. So during first half this year what was the contribution from that?
- Sahil Arora:** Almost nil for the first half, around 5%.
- Siddharth Agarwal:** Thank you Sir for patiently answering the questions and wish you all the best for the coming quarters.
- Moderator:** Thank you. The next question is from the line of Saksham Bhardwaj from Individual Investor. Please go ahead.
- Saksham Bhardwaj:** Please can you tell me how is your cut to size segment performing right now?
- Sahil Arora:** Cut to size segment is performing well. It is currently about 10% of our business and little learning, we have been testing on this over the last three years that this is a segment where it can



ARO Granite Industries Limited
November 06, 2020

make or break. It is very easy to get the job, it is very difficult to execute. So we still are focusing very much on this segment with a lot of value addition, high profitability, we will see that in the future it will continue to grow.

Saksham Bhardwaj: Okay and regarding the granite price, did the prices of granite increase due to the ban on Chinese products or due to lockdown?

Sahil Arora: Granite was not banned by US or Chinese. It is only the Quartz. Quartz glass had been not banned by US government or China. The duty is very high. The duty is almost likely 100%.

Saksham Bhardwaj: Okay and did you have any cess?

Sahil Arora: Since our Quartz production has not started we have not sold anything.

Saksham Bhardwaj: Okay and last question Sir. What is our realization as compared to the last year?

Madangopal: Realization is slightly better compared to the last year because of the two majority of products in Jaipur also, marginally high.

Saksham Bhardwaj: Thank you Sir.

Moderator: Thank you. The next question is from the line of Urvija Shah from Isha Securities. Please go ahead.

Urvija Shah: I had one question. I was going through your presentation we have majority of granite sales through China. So with the ongoing trade sentiments between the two countries, are we seeing any impact in that or is there any duties or something that can we imposed?

Sahil Arora: Again the trade barriers against China, is applied from US on Quartz that is not our natural stone but we have not seen any benefits for that at all.

Urvija Shah: Okay and between exporting the China any trade barrier we are seeing for Indian products in China?

Sahil Arora: We have zero sales honestly in China so it would not make any effect.

Sunil Arora: We have other 45 countries except China. China they are like our competitors. So they also buy blocks from all over the world and process and re-export it.

Urvija Shah: Thank you.



ARO Granite Industries Limited
November 06, 2020

Moderator: Thank you. The next question is from the line of Saksham Bhardwaj from Individual Investor. Please go ahead.

Saksham Bhardwaj: Sir, can you tell me how is competition from Brazil this fiscal year?

Sahil Arora: See we are not able hear. Can you please repeat the question little louder please?

Saksham Bhardwaj: I am saying sir how is competition from Brazil this year?

Sahil Arora: The best part of natural stone is that in each country has its own individual unique raw material. So our competition for against Brazil is not because of any price advantage or any material advantage. It is because there we might refer a Brazilian design where certain people might prefer an Indian design. The best example is US. The US definitely does report Brazil in colors, but if you see main market which is Europe. Europe is highly dominated by the Indian colors. So definitely there is a lot of competition with Brazil that it comes to sales and since their currency was devalued over the last few years, they had price advantage also over Indian colors. First we had preferential colors and then having a price advantage. So that has been very good for them. At that same time they are also facing huge competition against Brazilian stone. On the other hand, we buy a lot of Brazilian stones and the inland transportation in Brazil just like any other country is very high and for certain stones especially for certain exotic stones, the cost of shipping it across the world by ship is equivalent to shipping it by truck within the same country. So there we find that our processing is as good if not better than the Brazilian manufacturers and that is why certain times we do see that they prefer to buy from us and not only that the exotic stone that we buy are usually the high end stones. So there are not many customers around the world were looking to buy full containers of high end exotic stones and having a container value at a very high level. So what we do is an advantage is we mix and match exotic Brazilian stones with basic Indian stones and make a very averagely priced container, which allow customers to further buy from us.

Saksham Bhardwaj: Can you tell me what raw material that you import from Brazil?

Sahil Arora: We import granite namely like Taj Mahal actually we import exotic granite and special Quartz. These are the most imported colors that we buy from there. The imported granite as usually priced about 25% higher than our high end Indian granite and the Quartz rate, which are very special, and a very specific to Brazil those are usually in the range of 200 to 200 Indian high end granite.

Saksham Bhardwaj: Can you tell me how do you feel regarding the shift from granite to engineered stone permanent and how are you changing your strategy?

Sahil Arora: I am sorry, I did not get you.



ARO Granite Industries Limited
November 06, 2020

Saksham Bhardwaj: I am saying do you feel that the shift from granite to engineered stone is permanent or not or how are you changing your strategy regarding that?

Sahil Arora: We are adding on another segment to our product. We will continue working with natural stones and natural stones will still continue to be the largest sector of our total business. The engineered stone will be an additional business that we are doing. On our existing campus in Hosur, we had enough land to build up a new facility of 8000 per meter a new building where we installed the new the Quartz line. So it is a complimentary product to our existing product, which will go through our existing channels. So that is why we decided to get into this. In the future our focus continues to be on both products and with that all three products, which we will see as the north factory, the south factory of natural stone and Quartz and I think we will have good growth opportunity in these three segments. As I mentioned earlier that you know, we do a mixed container of Brazilin and granite. We also feel that they might be an opportunity to mixed container of Brazilin, granite, and quartz, which might have captured smaller markets, which are completely untapped and also required good materials.

Saksham Bhardwaj: Demand of Indian colors improved in US in Europe per se?

Sahil Arora: In US the demand for North Indian colors so our Rajasthan plant is very, very good and very competitive. It is a majority of our sales of North plant whereas the South plant the issue what we face is that the colors that they are demanding are very specific and very limited. So there is a huge competition in purchasing of raw materials more than in the selling of our plants. So there is demand still in US, but as we come forward after Quartz, Brazilian stones and then Indian stones very specific and very choosy on the kind of stones that they buy. So that is why in 2008 before subprime crisis we spread out to many, many countries and now we have very good customers all over the world especially in Europe, Australia, Asia, Africa and we continue to supply those customer with stones that are not engineered demand in US.

Saksham Bhardwaj: Can you please tell me what in time do you see on your sales with the recent lockdowns in Europe that they are doing?

Sahil Arora: As far as the information that we have gotten till now and of course it might change as we go forward. The lockdown is there, but it is a little bit more limited as compared to the previous lockdown, operations of construction and construction material suppliers so those industries are still allowed to run with a limited amount of manpower. So currently we do not see any slow down over there, especially because the Europe Union has very actively and lot of government or public pending. There is a lot of money that is going around in those countries and people are still looking at increasing construction activities over there.

Saksham Bhardwaj: Please can you tell me any granite processing units closed during the lockdown and has a competitive intensity decreased in Indian anyway?



ARO Granite Industries Limited
November 06, 2020

- Sahil Arora:** There have been any shutdowns of any export oriented units as far as we know. Domestic units may be we do not look at that data too, but as far as export oriented units especially from the South of Hosur, there has been no shutdown, but definitely people are running at below forward capacity.
- Saksham Bhardwaj:** Thank you Sir. All the best.
- Moderator:** Thank you. The next question is from the line of Urvija Shah from Isha Securities. Please go ahead. Please go ahead Sir.
- Urvija Shah:** Sir I do not know if you might have already answered it. What is the delay in expansion due COVID and now when will the Quartz. Sir what is the expansion delay due to COVID?
- Sahil Arora:** The expansion process that we are doing right now within the Hosur unit in the south where we are setting up a new Quartz unit with a capacity of 1800 square meter per annum. For which we have created an 8000 square meter facility. The machine erection has been completed up to 95% as of January 2020. That is when the Chinese technician returned home for the Chinese New Year and that was a beginning of the pandemic. So they were supposed to return to India around 15th of February, which of course did not happen and till now they had not been able to return. Post the Indian lockdown we have been working slowly on completing small, small projects in the Quartz unit with the expectation that International flight should start soon and of course we were expecting them to have started by October, but they are the numerous delays and now what we will be looking at is we are looking at completing all the pending works in those unit, leaving these calibration and the startup of the unit, which we are quite hopeful the Chinese technicians will be able to come soon. Simultaneously we are also working at taking out a way of remotely starting up these units with reduced capacity.
- Urvija Shah:** If we are able to start it for the next financial year, what are the revenues roughly because I understand that the Quartz unit takes some time, for gestation period is always there. So what sort of revenue can we expect in your dome?
- Sahil Arora:** If we are able to start a Quartz unit by January then definitely we are looking at much better revenue for the next financial year, but of course it all depends upon when we are really actually able to start the unit, so we will come up with numbers as soon as we start with our Quartz plant. We will definitely make announcement for the next financial year numbers.
- Urvija Shah:** My question is actually was just an estimate. I am not asking for what the revenue will be, but say whenever we start it, roughly say 20-30% utilization what revenues can we do? That is the peak capacity or no?



ARO Granite Industries Limited
November 06, 2020

Sahil Arora: These are the peak capacity and the peak capacity we are looking it half of million dollars a sales per month, which is about 35 to 40 Crores in a year. This is at peak capacity. So of course we look at 30% of that will be 20% of that. That is for additional once we start this Quartz plant.

Urvija Shah: Okay. Thank you.

Moderator: Thank you Sir. There are no further questions from the participants. I now hand the conference to Mr. Gaurav Sud from Kanav Capital Advisors for closing comments. Over to you Sir!

Gaurav Sud: Thanks everyone for logging into the call today. The management has tried to answer whatever questions were asked, but if there are still any queries that you might have, you can email us to ask and we will respond immediately on to those. As we have announced we plan to do this conference call every six months rather than quarterly and in case of any further queries you can reach out to us. Thanks everyone.

Moderator: Thank you very much Sir. Ladies and gentlemen, on behalf of Kanav Capital Advisors that concludes today's conference call. Thank you for joining us. You may now disconnect your lines.