



“ARO Granite Industries Limited Q4 FY2021 Earnings Conference Call”

July 01, 2021



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Moderator: Ladies and gentlemen, good day and welcome to the Q4 FY2021 earnings conference call of ARO Granite Industries Limited 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 Private Limited. Thank you and over to you Mr. Sud!

Gaurav Sud: Thanks Rutuja. Welcome everyone and thanks for joining this Q4 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-19 pandemic. To take us through the results of this quarter and answer your questions we have today with us Mr. Sunil Kumar 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 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 report, 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 would like to welcome you to Q4 2021 investor concall. Thank you for taking out time to attend this call. FY2020-2021 has been the pandemic year with COVID-19 cases bringing most of the world to a complete standstill during various and numerous lockdown periods. The pandemic required companies to think on their feet and adjust quickly to ever changing scenarios. Despite the challenges of COVID-19 and losing six weeks of sales to the lockdown our sales grew from Rs.177.71 Crores in FY2019-2020 to Rs.179.37 Crores with a net profit after tax increasing by over 68% from Rs.3.6 Crores in FY2020 to Rs.6.05 Crores in FY2020-2021. The first half of the financial year was challenging for our company due to lockdowns resulting in shutdown of our plants for six weeks. Subsequently we also faced raw material shortage due to the lack of labor in quarries, which impacted our sales in the first half of the year. As the economy opened up post the lockdown the second half of this year improved and we were operating at significantly improved levels with sales in Q4 being the highest of the four quarters. Our Q4 sales has increased by 28.49% from Rs.43.6 Crores in Q4 2020 to Rs.56 Crores in Q4 2021 with EBITDA increasing by 90% from Rs.4.45 Crores in Q4 2020 to Rs.8.49 Crores in 2021 and profit after tax increasing by 496% from Rs.0.47 Crores in 2020 to Rs.2.77 Crores in Q4 2021. Once the country came out of lockdown there were many issues to be tackled chief among those was the acute shortage of



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labor. Initially there was no rail service or road service and there were many interstate restrictions on travel, hence many of the migrant workers were not able to travel. This shortage of labor not only affected the factory operations but also quarry operations especially in the South of India. This reduced our production capacity in Hosur to a great extent and in Jaipur though to a lesser extent. The labor shortage and raw material shortage made sales more complicated and to make things worse we are going through a world shipping crisis with container and ships in short supply. This has led to an exponential increase in cost with containers costing two to four times to various destinations. Some customers were hesitant to except these increases initially while many have now accepted to be the new normal. During the year, our Jaipur plant contributed to 18% of our total revenue. Our portfolio of colors has significantly increased increasing our volumes and customer base with the help of the new range of colors from Rajasthan. This semi exotic color range is very popular in North America and we hope to continue scaling up operations in our Jaipur plant in the coming years. Veegoo our machine supplier for the Quartz plant helped us through CCTV and videoconferencing support and we were able to commission our Quartz plant with commercial production starting in January 2021. Though there are many challenges due to travel restrictions worldwide we have a strong distribution channel and a strong relationship with our customers built over 30 years. We are banking on these relationships and the trust they have on us to drive and accelerate our Quartz slabs and we expect our Quartz plant will contribute significantly to our business in the coming years. We have generated Rs.2.3 Crores of sales in Q4 2021 through Quartz sales. We have positioned ourselves for growth in the future by widening our product offerings to include engineered stone along with natural stone. Our Jaipur plant and Quartz plant will drive up our future growth and help us in improving our margins. We would now like to open up this concall for question. Thank you very much.

Moderator: Thank you very much. We will now begin the question and answer session. Ladies and gentlemen, we will wait for a moment while the question queue assembles. The first question is from the line of Siddharth Agarwal from Prudent Value Partner. Please go ahead.

Siddharth Agarwal: Good afternoon Sir and thank you for giving me the opportunity and congratulations Sunil for a good set of numbers. My first question is our sales have been more or less flat this year in spite and we have managed it quite well to at least manage the topline, but our profitability has gone up quite a bit so what is the reason behind the margin expansion?

Madangopal: Actually the difference between last year and this year, the other expenses has come down by Rs.6 Crores from Rs.8 Crores of last year to Rs.2 Crores of this year is the forex loss. Last year we had forex loss of Rs.8 Crores this year we have forex loss of Rs.2 Crores that is why the difference in the profitability.

Siddharth Agarwal: We mentioned that our sales in domestic markets are going up so can you please explain our business in Indian market and give some numbers of our domestic sale and profitability here?



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- Sahil Arora:** Our domestic sales comprise of two components one is completely high end segmented market where volume wise a very small percentage of our sales, but value wise it is quite high and the other part is our sale of our export rejects so we have two different markets that we are looking at. Both markets combined roughly contribute to about 8% of our total sales, which has significantly grown since the previous year it is about 40% increase from the previous years so looking at profitability export rejects are sold at cost or just below cost whereas the high end is a very profitable and very lucrative market and we will look to expand that part in the future.
- Siddharth Agarwal:** Could you also give us some details about your inventory I guess we have cleared a lot of old inventory during the COVID period so could you give us some breakup of our inventory age wise as of March 31, 2021?
- Madangopal:** We had more than five year old stock, which we cleared everything. Now we have less than three years old stock. Actually our domestic sales we cleared the inventory through domestic sale as well as exports. The domestic sale went up from Rs.11 Crores of last year to Rs.16 Crores of this year.
- Sahil Arora:** We do not have any finished inventory at this point, which is older than three years.
- Siddharth Agarwal:** Our Jaipur plant has been a good success and it is very heartening to know that we have started on a very good note here so could you tell us about what is the capacity utilization in our Jaipur plant and how much revenue or profitability we can expect at the optimal utilization here?
- Sahil Arora:** Our Jaipur plant is almost running at full capacity. There we have started only with one multiwire and the complete line so which is already being fully utilized and as far as margins are concerned I will tell our CFO to give the details.
- Madangopal:** We did a sale of Rs.36 Crores this year and margin is about 40% in Jaipur.
- Siddharth Agarwal:** Given the success of our Jaipur plant and the better availability of popular color share in the region so is there any plan to expand the capacity further in Jaipur?
- Sahil Arora:** We are thinking right now. As soon as we have some concrete plan we will definitely come out with it.
- Siddharth Agarwal:** But we have enough land, etc., available or do we need to do a Greenfield?
- Sahil Arora:** No we have capacity to increase. We already planned for two multiwire there we can double the capacity, but right now we are just thinking on that, but the construction has been done for the double capacity.
- Siddharth Agarwal:** Lastly if I may ask about the Quartz plant first of all congratulations for starting production there so can you talk a little bit about your strategy what is our targeted market, our raw material



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procurement, and pricing on final product so a little bit whatever details you can share about our Quartz plant and our strategy there?

Sahil Arora: Our main business has always been natural stone where we produce random granite slabs and tiles so random granite slabs are exported to customers all around the world who are wholesalers who further sell it to homeowners or fabricators. Quartz will also follow through those same channels so we will be selling them to our existing customers who are wholesalers who further sell it on to the end user or the fabricator. So channel wise having long relationships with a lot of our customers predominantly I would say that our Quartz sales is going to happen to our existing customers so that is one great advantage that we have. On the raw material side most of the raw material includes Quartz powder, which is also known as filler, Quartz grit, which both of these comprise about 90% of our total composition and about 10% of polyester resin along with pigments and various other products. All of these products are sourced locally within India.

Siddharth Agarwal: Sir how does our pricing of our quartz compared with granite as well as other peers?

Sahil Arora: Granite has four major tiers you have the low end of granite, which is significantly lower than quartz, you have the middle sector of granite, the upper sector and the exotic range so the exotic range is roughly about three or four times the price of quartz whereas quartz is somewhere in between the upper range and the middle range of granite so it competes in the major market or the major price segment of products.

Siddharth Agarwal: Reading more about the quartz demand we understand that the demand in international market is quite huge for quartz so are we looking at this as a growth trigger for us and what kind of revenues can we expect from this segment over the next three to four years?

Sahil Arora: Yes for sure it is somewhere that we would look to grow especially in North America where there is 350% duty on Chinese quartz so that is one area that we do look to have good growth especially since we have a strong customer base over there.

Sunil Kumar Arora: We are basically looking at the US market from India because of the duty factor. As far as the other countries are concerned we have to compete with China, which makes it a bit difficult.

Sahil Arora: The revenue to be honest until we travel we do not look at large utilization of the plant, but I think we can look at roughly.

Sunil Kumar Arora: This year we have planned around 30 Crores estimated sales for this financial year.

Siddharth Agarwal: Great Sir. Thanks a lot for patiently answering all the questions and wish you all the very best. I will come back in the queue.



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- Moderator:** Thank you. The next question is from the line of Shubham Pandey, an Individual Investor. Please go ahead.
- Shubham Pandey:** Thank you for providing me the opportunity to ask the question. My first question is that you said that the government has changed and representations are made for the reopening of quarries what should we expect from them?
- Sahil Arora:** The government has just changed we have to just wait and see we cannot predict anything what the government does or does not do.
- Sunil Kumar Arora:** In Tamil Nadu we just got the new government DMK, which has come into power so we are very hopeful that this government will be more positive in opening up the quarries especially in Tamil Nadu where we are located our main plant Hosur plant, which will definitely benefit us in the shortage of raw materials, which we have been facing from last five to six years. With that many quarries opening up will help us in increasing our production.
- Shubham Pandey:** Can we expect the 2014 level for the raw materials?
- Sahil Arora:** It all depends on the quarries opening up.
- Sunil Kumar Arora:** How soon they can open up? The government has just come into power, they are very positive; they have been giving us very positive signals that they will start the new quarries at the earliest.
- Shubham Pandey:** My next question is that how are we operating now and have we reached the pre-COVID level?
- Sunil Kumar Arora:** In fact if you have seen our last year results, which are better than the previous year and same way this year also we are very hopeful that we will do better than the previous year. Actually like rest of the county everyone has been affected with the COVID, but fortunately our company we are able to manage like Sahil just explained because of the goodwill and the trust the customers have on us so they are still continuing to buy from us during this pandemic time.
- Shubham Pandey:** As we are in a very good position with Jaipur plant and quartz plant operational can we expect very good year FY2022?
- Sahil Arora:** As we are still not out of this pandemic we cannot really predict for the rest of the year. We are very hopeful.
- Sunil Kumar Arora:** We are hopeful that we will do very well as soon as this pandemic is under control that is what the plans have been made with quartz plant and the Jaipur plant in operation. We are very hopeful that we will do much better actually.
- Sahil Arora:** As long as there is no lockdown I think this year should be a good year for us.



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- Shubham Pandey:** Okay Sir thank you for answering all the questions patiently.
- Moderator:** Thank you. The next question is from the line of Gaurav Sud from Kanav Capital Advisors Private Limited. Please go ahead.
- Gaurav Sud:** Yes Sir I wanted to specifically understand a bit more about the new quartz plant how is the market acceptance of this plant in terms of initial batches and the general customer response you got?
- Sahil Arora:** The general customer response has been quite positive though some of the challenges that we do face is that it is a manufactured product so there is a certain perfection that is expected in this product and it is very difficult to convey that through pictures and videos and samples, so unless customers actually see the entire product as a whole in front of them in person the sales becomes a lot easier once they see it personally and once it starts as they pick it up or they add it to their range then the continued sales on their product is very easy so currently we are doing okay.
- Sunil Kumar Arora:** Gaurav basically we are right now with the basic colors because as you know the Chinese people could not visit us so they could not really give us the complete support, which they were supposed to do along with the machinery, but online yes they are helping, but there is always a limitation how much they can help us online so right now we are only making the basic colors, which are lower price and margins are obviously less. The actual margin in this material is once we start making the high end material in quartz which is only expected that once we have the Chinese people visiting us as soon as the international travel starts and then we can expect much better margins.
- Gaurav Sud:** Okay great to hear that Sir. Sir what is the potential revenue that you can generate out of the quartz plant given the current data?
- Sunil Kumar Arora:** This year our estimate is Rs.30 Crores for the quartz plant and Rs.200 Crores for the granite for both Jaipur and Hosur put together. Granite we are looking at Rs.200 Crores and this quartz we are looking at Rs.30 Crores total Rs.230 Crores is our estimate; hopefully there will be no further lockdowns.
- Gaurav Sud:** Sir this Rs.30 Crores is going to be the max revenue that the quartz line can generate?
- Sunil Kumar Arora:** This will not be the max exactly; our max will be around about Rs.50 Crores.
- Sahil Arora:** Just to elaborate Rs.50 Crores is based on the current setup that we have but to increase our capacity only additional machines have to be added. The building and the rest of the facilities are already designed for two-and-a-half lines, two-and-a-half lines means that we can essentially triple our capacity.



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- Gaurav Sud:** So you are saying that at additional lines added and the potential revenue could be Rs.150 Crores?
- Sahil Arora:** Absolutely right.
- Gaurav Sud:** So the other part is on engineering stones once you have the high end material also coming out would the expected margins in this product be better than granite?
- Sahil Arora:** Just like all high end yes. For high end we can expect better margins, but same way also on high end national stone we have very good margins.
- Gaurav Sud:** But what will be the breakup between base end and high end you have any expected breakup between the two?
- Sahil Arora:** To balance the plant you need to have some basics, some medium type, some high end so that is why we were planning eventually to have two-and-a-half lines where one line would run for basic, half line would run for the super high end and one line would run for the medium range product, so in the short term we are basically doing the basic and the medium range. The breakup between the two is roughly about 20% medium range and 80% basic but as once the Chinese technicians can come and can teach us how to make the high end we will have to see the market. The market potential is used for the high end so we will have to see what will be best suited at that time.
- Gaurav Sud:** So Sahil what products you plan to sell them as generic slabs or you plan to build a brand around that?
- Sahil Arora:** Most of our customers are wholesalers on their own and most of them now have their own in-house brand as they preferred to buy from various factories from various countries and have the best selection out of those and then to bring it into their warehouse and brand it themselves. To make a brand is a huge expend.
- Sunil Kumar Arora:** But some customers we already saw it. Like in Slovakia we have started with our own brand name. Netherlands one customer started with our brand name. USA is the only market, which is a bigger market we need some time to really start with the brand name, but right now to begin with they are the two places where we started branded and USA we are going back by whatever the customer requirement is.
- Gaurav Sud:** Sir what do you call your brand in this case?
- Sahil Arora:** ARO quartz very simple.
- Gaurav Sud:** ARO what Sir?



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- Sahil Arora:** ARO quartz.
- Gaurav Sud:** Given that this product is made by Chinese lines vis-à-vis the Britain lines, which are the established benchmarks how much of impact is there on the finish and whether you expect similar realizations to those products?
- Sahil Arora:** There is no impact on the finish because the finishing is done by Italian machines. Our moulding process is done by Chinese machines, but our finishing is done by Italian machines.
- Sunil Kumar Arora:** The quality is the same.
- Sahil Arora:** Absolutely the same, it is just a different size of machinery.
- Gaurav Sud:** So over time you expect similar realizations you should not given that the finish is similar?
- Sunil Kumar Arora:** Absolutely, as long as we are able to make high end martial we can have similar realizations for sure. Whatever the Italian machinery or Britain machinery is giving exactly the same thing can be done with this machinery.
- Gaurav Sud:** That is great to hear Sir and given that America has put antidumping duty on China with regards to this particular product line how is that impacting demand, is there a lot of demand for quartz coming out of US for Indian quartz?
- Sahil Arora:** Yes absolutely China produces everything in the world so once you close off a certain market they have to find alternatives and India is the best alternative to that.
- Gaurav Sud:** Okay that kind of sums up my set of questions. Thanks a lot.
- Moderator:** Thank you. The next question is from the line of Chirag Jain, an Individual Investor. Please go ahead.
- Chirag Jain:** Sir the status of the current debt, what is the current debt which you have on books and the timeline with regards to repayment going forward?
- Sabyasachi Panigrahi:** Going forward the entire debt will be repaid by 2027.
- Chirag Jain:** Currently what is the debt on books?
- Sabyasachi Panigrahi:** Debt on books as of today if I say it is around..
- Madangopal:** We have Rs.52 Crores total out of that HDFC term loan is Rs.20 Crores and what we have taken for Jaipur is Rs.29 Crores, Rs.3 Crores is the supplier credit Veegoo Rs.2.8 Crores so total debt is Rs.52 Crores. Veegoo the supplier credit will get over by September 21, 2021 and HDFC we



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have seven year repayment period which started from March 2021 so it ends in 2027 as Panigrahi stated.

Chirag Jain: Sir what will be the working capital limits currently?

Madangopal: We have a working capital limit of Rs.105 Crores.

Sahil Arora: Total Rs 120 CR ; Rs 110 Cr in BOB and 10 Cr in HDFC

Chirag Jain: But this entire is it in foreign currency?

Sahil Arora: Yes.

Chirag Jain: The total would be including everything would be about Rs.170 Crores?

Sahil Arora: Yes.

Chirag Jain: What would be the current cost of debt Sir?

Madangopal: Our interest cost is Rs.4 Crores per annum all put together.

Sahil Arora: For working capital our interest cost is very low why because we only borrow PCFC foreign currency loans which is linked to labor plus 1.5% which works out to be 2%, 2.5% to 3% maximum in Euro it is much less in dollar it is little bit so overall our interest cost in working capital is very low so our interest cost is mainly for the term loan what we have for Jaipur and quartz.

Chirag Jain: I just wanted to enquire about the margins. If you look at the industry the competitors are currently operating at much higher margins so when do we scale up with regards to that margins because currently also as you told you are not operating at full capacity so going forward in this year supposedly if there is no COVID issues would we be able to have better margins also with regards to your increase in topline guidance which you have given?

Madangopal: Actually our problem was availability of the raw materials.

Sahil Arora: We lost the margins four to five years slowly and slowly the quarries closed down in Tamil Nadu where our main plant is situated for granite so once the blocks are not available we have to source those blocks from the other states so the cost of transportation and higher cost of blocks, so that impacted our profitability as compared to the other manufacturers, but once the quarries open up in Tamil Nadu we will definitely be able to make same margins, but as far as Jaipur is concerned as far as quartz is concerned we are making better margins than our competitor.



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- Chirag Jain:** Because now with the Jaipur plant getting operational outsourcing would also not be an issue because no transportation is required.
- Sahil Arora:** I will explain to you. If you bifurcate our business into four parts we have four verticals one we do is granite tiles, which we are doing for the last 30 years where our margins are pretty reasonable it has been same for many, many years. Number two is the granite slabs which we do it in Hosur where margins are less because of the nonavailability of blocks. Number three is our Jaipur again granite slabs where margins are very good because that is where the blocks are available and we have good market for that. Number four is which we have just started now quartz plant, quartz plant we have just started this year in January only so slowly, slowly we will scale it up and we will make better margins in the quartz same like other manufacturers.
- Chirag Jain:** So blended would be on the higher side for the current year?
- Sahil Arora:** Pardon.
- Chirag Jain:** So your overall blended margins would be on the higher side?
- Sahil Arora:** We are very hopeful.
- Chirag Jain:** Because as you said earlier also in Jaipur you are operating at about 40% margins so that is where the difference immediately as you told with regards to Hosur and with regards to Jaipur so supposedly if things are online so the blended margins and on the overall picture with regards to the current year will be better?
- Sunil Kumar Arora:** We are very hopeful but again like I said for the Hosur plant still there is shortage of blocks and quartz plant we just started, we started without the help of the technicians coming from China we are doing it online so we are facing daily issues in running the plant so it will take some time for us to scale up exactly, but if not this year next year definitely we are very hopeful of having much, much better performance.
- Sahil Arora:** This year there is still a lot of shortage of labor, as transportation and things open up we have to see what effect that will have on both the plants.
- Chirag Jain:** But Q1 are we operating fully or how is it with regards to the current Q1 which has just gone by Q1 are we operating at a decent capacity as compared to last year?
- Sunil Kumar Arora:** Q1 as you know there has been a lockdown though this time 100% EOU were exempted from the lockdown so we were allowed to work but under a lot of challenges. Challenges means there is no public transport or people could not come to the factory, we had many cases in our factory, in fact we lost four of our employees in these COVID times, there were many cases, they were hospitalized, we have to look after them, this has been very challenging this quarter, this quarter has been the most challenging, but we still did much. The only thing I would say that we have



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done, we are still doing pretty well actually compared to the circumstances compared to the problems which we are facing we are still doing pretty well actually.

Chirag Jain: Thank you Sir.

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

Siddharth Agarwal: Thank you for giving me the opportunity again. Sunil could you give us some color on the demand scenario in the US from whatever we read that housing market is very hot and a lot of redevelopment is going on so what kind of demand are we seeing from our dealers and our networks over there to our wholesalers and what is sort of inventory levels, if you give us any color over there, which can give us some idea of the potential demand in the coming years?

Sahil Arora: So speaking specifically about the US market the demand is extremely higher, the moment purely firstly because there was a lot of funds given by the government to the public, at the same time your expenses also reduced, so though there might not be a huge amount of new house purchase, but there is a lot of renovation market going on right now, so initial post lockdown impact on our customers the wholesaler was that they were short on inventory so there was immediate push for a huge amount of volume requirement at the beginning of the last financial year and as the year went by they saw that the renovation market continued to be strong and that created a lot of demand for them. There is still a lot of work from home going on in many parts of the world including India and including the US so when you are in a situation where you are working from home you are spending a huge amount of time in your own personal surroundings, you start to notice the smallest and smallest of things so changing your kitchen, remodeling your bathroom, those become a huge priority for you because your apartment building, your bedroom, your kitchen that becomes your entire world and that is your world for 24 x 7, 365 days so that has driven a huge demand not only in the US but in various parts of the world wherever financials are available especially from the government.

Siddharth Agarwal: But have the inventory levels at the dealers, wholesalers, etc., normalized now, how is the order book, etc., looking now, the inquiries?

Sahil Arora: The inventories of the customers are still at a very low level and that also has to do a lot with the world shipping crisis that is going on right now. The availability of containers at extremely high prices two to three times the pre-COVID values where we are talking about \$2000 containers to parts of US are now become \$6000 containers they are still not readily available so the transit times are taking longer, the availability of container is still extremely short, a lot of ports in our destinations are not able to get enough containers so with that in mind the wholesalers are still very short in stock.



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- Siddharth Agarwal:** Does that mean that if you also have a very strong order book as soon as better logistic availability lot of more goods could be shipped out?
- Sahil Arora:** For the past six to seven years we have never had an issue with the order book. Our issue is on the raw material and being able to fulfill those order books, so even as of today our Hosur plant is ready to run 100% based on the current orders that we have it all depends on the raw material available to us, so if raw material availability improves the order book will continue to improve.
- Siddharth Agarwal:** Thanks a lot for your answers.
- Moderator:** Thank you. The next question is from the line of Shubham Pandey, an Individual Investor. Please go ahead.
- Shubham Pandey:** Thank you for providing me the opportunity again. My question is that how is the cut to size and quality size business segment doing?
- Sahil Arora:** We are absolutely full. We are running at almost full capacity in our cut to size department. It has picked up well especially in Europe where we are doing a lot of small medium and medium sized projects and I think that is one area that maybe in the future we can grow some more, but as of right now we are running at good capacity.
- Shubham Pandey:** Sir our Jaipur plant must have high transportation cost how are our margin in Jaipur plant as compared to Hosur?
- Sahil Arora:** Jaipur plant has lower transportation cost because we are only focusing on quarries that are within Rajasthan so within the state itself whereas in Hosur we are buying material from Andhra, Telangana, Karnataka, and Tamil Nadu and also we are importing a lot of raw materials from Brazil, Norway, Finland and bringing them to India so the absolute transportation costs in Rajasthan are far lower than that in Hosur.
- Shubham Pandey:** One last question is in Q4 FY2021 we did sale of Rs.2.3 Crores what is the sale in Q1 FY2022 in quartz are we doing better?
- Sahil Arora:** This financial year we have estimate of sales in quartz is Rs.30 Crores.
- Shubham Pandey:** Thank you Sir.
- Moderator:** Thank you. As there are no further questions from the participants I now hand the conference over to the management for closing comments.
- Sahil Arora:** Thanks everyone for participating on the concall. Your questions are very important to us and help us communicate better. As you all know things are very difficult with the COVID situation



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around the world and we hope that everyone is keeping safe and healthy and we hope for a better future together. Stay safe and get vaccinated as soon as possible. Thanks a lot.

Moderator: Thank you. On behalf of Kanav Capital Advisors that concludes this conference. Thank you for joining us and you may now disconnect your lines.