



Date: 21.03.2022

To,
Corporate Relations Department,
Bombay Stock Exchange Limited,
2nd Floor, P.J Towers,
Dalal Street,
Mumbai-400 001

To,
Corporate Relations Department
National Stock Exchange of India Ltd.
Exchange Plaza,
Plot No., C/1, G-Block,
Bandra Kurla Complex,
Bandra (E),
Mumbai - 400 051
Scrip Code: ASIANTILES

Scrip Code: 532888

Dear Sir,

Subject: Media Release: Asian Granito India Ltd (AGL) lines up Mega Expansion Plan to set up Multiple State-of-the Art Manufacturing Units in Luxury Surfaces & Bathware Segments.

With reference to the captioned subject, please find enclosed herewith Press Release regarding Asian Granito India Ltd (AGL) lines up Mega Expansion Plan to set up Multiple State-of-the Art Manufacturing Units in Luxury Surfaces & Bathware Segments.

This is in compliance with Regulation 30 of SEBI (LODR) Regulations, 2015.

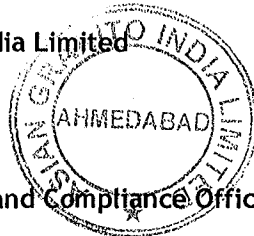
Please take note of the same.

Thanking you,

Yours faithfully,

For Asian Granito India Limited

Dhruvi
Dhruvi Trivedi
Company Secretary and Compliance Officer



Encl.: Press Release

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Media Release

Asian Granito India Ltd (AGL) lines up Mega Expansion Plan to set up Multiple State-of-the Art Manufacturing Units in Luxury Surfaces & Bathware Segments

Files Draft Letter of Offer for Rights Issue up to INR 500 Crores (USD 70 Mn)

Highlights:-

- AGL to set up three new state-of-the-art manufacturing units in value-added luxury surfaces & bathware segments for Large Format GVT Tiles, Sanitaryware and New Age Stone Plastic Composite (SPC) Flooring;
- Indian Ceramic Tiles and Sanitaryware industry witnessing strong tailwinds in both domestic and exports markets with India ranking at 2nd Position in all three i.e. Production, Consumption and Exports, beating dominant markets;
- SPC, a new age Flooring, forming J-Curve of demand globally with various value added features, to help AGL gain significant market share, being an early mover in the Indian market and further expand the export operations of the Company; As per a report from 360i Research, Global SPC Flooring market was worth USD 22 Bn in 2020 and is projected to reach USD 51 Bn by 2027 at a CAGR of 12.6%;
- Company to open one of the largest display centres in the country showcasing an entire range of its Luxury Surfaces and Bathware Solutions and capabilities under single roof covering approx. 1.5 lakh square feet of area at Morbi, Gujarat;
- Company has filed Draft Letter of Offer with the regulatory authorities on 21 March, 2022, to raise up to INR 500 Crores via Rights Issue of the Equity Shares to fund the Mega Expansion Plans and Strategic Initiatives as above. The Company has roped in mid-market Merchant Banker, Pantomath Capital Advisors Pvt Ltd, who has specialized division for Construction Materials Industry.

Ahmedabad, Monday, March 21, 2022: Asian Granito India Limited (AGL), one of the largest Luxury Surfaces and Bathware Solutions brands in the country, has filed draft papers (Draft Letter of Offer) for Rights Issue of equity shares to raise up to INR 500 Crores (USD 70 Mn). The Company has lined up Mega Expansion Plan in Value Added Luxury Surfaces & Bathware Segments such as GVT Tiles, Sanitaryware and SPC Flooring segments through setting up new state-of-the-art manufacturing facilities at Morbi, Gujarat, under newly incorporated wholly owned subsidiaries. The Company is also setting up one of the World's largest Display Centres covering an area of approx. 1.5 lakh sq. feet at Morbi, Gujarat to showcase Group's entire product range under single roof. The new manufacturing facilities are expected to commence commercial operations in April 2023.

Commenting on the development, Mr. Kamlesh Patel, Chairman and Managing Director, Asian Granito India Ltd, said, "Indian Industry has been witnessing significant shift in the recent years from Double Charge Tiles to Value Added Large Format GVT Tiles and Slabs. Although, Double Charge Tiles still holds major share in the overall demand and is well penetrated across the market, however, with new technologies emerging, to manufacture innovative designs through glazing & digital printing, GVT and PGVT are expected to grow at higher rates in medium to long term. In Sanitaryware, India is 2nd largest manufacturer after China and one of the fastest growing markets globally with immense opportunities led by various micro and macro factors and policy initiatives. Similarly, SPC Flooring is also emerging as the fastest hard flooring product across the globe due to its varied advantages over other hard flooring products including ease of installation, heat & water resistant characteristics, etc.. Currently, AGL has presence in GVT Tiles and Sanitaryware through own manufacturing as well as third party manufacturing. To fuel the Mega Expansion Plan in these segments and various strategic initiatives, the Board has approved issuance of equity shares for up to INR 500 crores via Rights Issue. With commercialisation of the proposed plans as above, AGL is expected to further strengthen its position as an Integrated Luxury Surfaces and Bathware Solutions Brand and up the Group's margin profile in near to medium term."

New entities incorporated for Expansion:-

- **Future Ceramic Pvt Ltd - FCPL** (wholly owned subsidiary of AGL) to manufacture Value Added Large Format Glazed Vitrified Tiles (GVT) in 800x1600 mm and 800x2400 mm formats. To capture the vast opportunities in the GVT space, FCPL is setting up a new manufacturing facility at Morbi, Gujarat with an installed capacity of 6.6 million sq. mtrs. per annum. Total estimated cost for setting up the new manufacturing unit in FCPL is around INR 175 crores.
- **AGL Sanitaryware Pvt Ltd - ASWPL** (wholly owned subsidiary of AGL) plans to establish in-house manufacturing unit of Sanitaryware products. Currently, AGL deals in a range of Sanitaryware products, manufactured through third party manufacturers and imported from outside India, and are marketed under AGL Brand. To strengthen and scale up the Sanitaryware segment, the Group is setting up manufacturing facility at Morbi, with an installed capacity of 0.66 million pieces per annum. Estimated cost for setting up the proposed new unit is around INR 50 crores.

- **AGL Surfaces Pvt Ltd - ASFPL** (a wholly owned subsidiary of AGL) to manufacture innovative new age Stone Plastic Composite (SPC) flooring. ASFPL is incorporated as part of the Company's strategy to expand product portfolio and presence in high growth oriented export markets through value added offerings. The manufacturing facility is proposed to be set up at Morbi with an installed capacity of 2.97 million sq. mtrs. of flooring per annum. Total estimated cost for setting up the new manufacturing unit in ASFPL is around INR 35 crores.

The Company is also setting up one of the World's largest display centre at India's Ceramic Tiles hub - Morbi, Gujarat to showcase AGL Group's entire product range under single roof i.e. Tiles, Sanitaryware, Bathware, Quartz & Engineered Marble, SPC, etc. The five storey display centre is conceptualised in 1.5 lakh square feet of area and aims to showcase AGL Group's production, technological excellence and best in class sourcing caliber at single place and is also expected to enhance Company's brand and reach. Total estimated cost for setting up the Display Centre is around INR 40 crores.

The commercial operations in all the three wholly owned subsidiaries are expected to commence in the beginning of financial year 2023-24. In the first year of operation, the Company expects capacity utilisation ranging from 45-60% to be scaled up gradually. The Company has estimated that total working capital requirement for all the three companies in the first year of commercial operations in 2023-24 will be around INR 80 crores.

The Company has filed draft papers (Draft Letter of Offer) for Rights Issue of equity shares to raise up to INR 500 Crores (USD 70 Mn). The Net Proceeds of the Rights Issue shall be used for the Proposed Projects. Additionally, the Company also proposes to deploy the proceeds of the Rights Issue to meet general corporate purposes including other strategic initiatives, brand building and strengthening, marketing activities, and ongoing general corporate exigencies. The Company has roped in mid-market merchant banker, Pantomath Capital Advisors Pvt Ltd, who has a specialized division for Construction Materials Industry, having successfully handled multiple recent transactions in this industry.

Mr. Patel continued, "Due to various strategic locational advantages including close proximity to the raw material sources, easy & quick availability of manpower, close proximity to some of the country's largest ports, etc., Morbi is India's hub for Ceramic Tiles & Sanitaryware and accounts for more than 80% of the country's total production, housing over 1,100 manufacturing units. AGL has lined up major expansion plans in Morbi region keeping in mind these strategic advantages. Trusted for reliability, adaptability and innovation, AGL has created a strong brand identity for 'Make in India' products and is able to achieve global recognition with exports to 100 plus countries."

Highlights of Key Strategic Initiatives and Milestones achieved in FY22:-

- Successfully completed Rights Issue of INR 224.64 crores in the month of October 2021. The issue was oversubscribed by 1.15 times (Issue Size: INR 224.64 crores; Bids Received: INR 258.77 crores). Post this, the Company has become net debt free on a standalone basis.
- ICRA upgrades rating of Asian Granito India Ltd to **“A Positive with a Stable Outlook”**.
- Exited its non-core investment in Astron Paper Board Mill Ltd with a profit of INR 38 crores to focus on core business.
- Crystal Ceramic Industries Private Limited (subsidiary of AGL) completed a major expansion of 12,000 sq. mtrs. per day Glazed Vitrified Tiles with investment of INR 25 crores at Mehsana, Gujarat in June 2021, taking its total installed capacity to 36,000 sq. mtrs. per day.
- The Company has entered into a manufacturing outsourcing agreement with its associate concern **M/s Adicon Ceramica LLP** (“Adicon”). Adicon will be manufacturing large format GVT Slabs of 1600x3200 mm size using ultra-modern fully automated Italian technology with an installed capacity of 15,000 sq. mtrs. per day. AGL will market the product under the **“AGL” Brand**.
- In a move to create living and business spaces safer, beautiful and hygienic than ever in Covid era, the Company has launched ‘AGL Tuffguard Anti-Bacterial Tile’ and ‘Touch Free’ range of bathware .

About Asian Granito India Limited

Established in the year 2000, Asian Granito India Ltd. (AGL) has emerged as India's leading Luxury Surfaces and Bathware Solutions brand in a short span of two decades. The company manufactures and markets a wide range of Tiles, Engineered Marble and Quartz, Sanitaryware and Faucets. AGL products are synonymous with reliability, adaptability, innovation, quality consciousness and the company has created a strong brand identity, well recognized globally and loyal customer following across segments.

Ranked amongst the top ceramic tiles companies in India, AGL has achieved nearly 40 times growth in its production capacity, from 2,500 square meters per day in the year 2000 to 98,000 + square meters per day, as on date. AGL is also the only tiles company to be acknowledged in the Vibrant Gujarat Summit 2015 for achieving phenomenal growth.

The Company has 9 state-of-the-art manufacturing units spread across Gujarat and 311 exclusive showrooms, 13 display centers across India. Further, the company has an extensive marketing and distribution network pan India as well as in export markets.

The company looks to strengthen its identity as the leader in the Indian ceramic industry by consistently introducing innovative and value-added products in the market to keep pace with its valued customers. Headquartered in Ahmedabad, AGL is listed on NSE & BSE and reported net consolidated turnover of INR 1292.3 crores in 2020-21. Company exports to more than 100 countries. (For more information, please visit: www.aglasiangranito.com)

For further details, contact:

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