



Beautiful Life

Date: 25.08.2021

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: 532888

Scrip Code: ASIANTILES

Dear Sir,

Subject: Press Release: Asian Granito clarifies on market apprehensions, Rights Issue and Debt Free Structure.

With reference to the captioned subject, please find enclosed herewith Press Release regarding Asian Granito clarifies on market apprehensions, Rights Issue and Debt Free Structure.

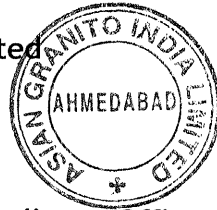
This is in compliance with Regulation 30 of SEBI (LODR) Regulations, 2015.

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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Asian Granito India Ltd.



PRESS RELEASE: ASIAN GRANITO CLARIFIES ON MARKET APPREHENSIONS, RIGHTS ISSUE AND DEBT FREE STRUCTURE

Clarification is in respect to certain market apprehensions and provides awareness to general public and our investors into the affairs of "ASIAN GRANITO INDIA LIMITED" (AGL). For the sake of clarity and good corporate governance, we would like to furnish our reply as under:

Point No. 1.

Our Company "AGL" has 4 Subsidiaries and 1 step down subsidiary. In below table intercompany sales needs to be eliminated as per account standards hence please don't consider these sales as consolidated sales of Asian Granito India Limited. Details are as under:

Sl. No.	Type of Company	Name of the company	AGL Holding	Business Operation	Total Revenue in FY21
1.	Material Subsidiary	Crystal Ceramics Industries Private Limited	70%	Manufacturing and Trading of Tiles and Building Materials	Rs. 183.00 Crores
2.	Material Subsidiary	Amazoone Ceramics Limited	95.32%	Manufacturing and Trading of Tiles and Building Materials	Rs. 138.87 Crores
3.	Wholly Owned Subsidiary	AGL Industries Limited	100%	Agro Operations	Rs. 2.41 Crores
4.	Wholly Owned Subsidiary	AGL Global Trade Private Limited	100%	Yet to commence operations	--
5.	Step Down Subsidiary of AGL and Wholly Owned Subsidiary of AGL Industries Limited	Power grace Industries Limited	100%	Building Material Chemicals and Solutions	Rs. 15.59 Crores

The company in its bid to become debt free and future expansion has planned Rights Issue of Rs. 225 Crores, the proceeds of which will be used towards debt reduction, future working capital requirement, and general corporate purposes.

The company is poised to grow into the market both organically as well as inorganically. The AGL Group has an umbrella brand in "AGL" which is renowned in domestic and international markets. Asian Granito India Ltd. also market its products in the domestic markets under other leading brands including "Bonzer7, Amazoone and Crystal".



AGL is committed to the development of its subsidiaries viz. Crystal Ceramics Industries Private Limited & Amazoone Ceramics Limited, for which AGL is committed to infuse fund for development requirement and debt free structure.

AGL's subsidiary Crystal Ceramics is carrying substantial debt in its books and AGL has extended Corporate Guarantee. Going forward AGL wants to get all Subsidiary external debt free and get the Corporate Guarantee released.

Recently AGL has conducted its EGM on 12TH August 2021, and the following resolutions were overwhelmingly passed by Shareholders.

1. Increase in Authorized Share Capital of the company from Rs. 47,50,00,000/- to Rs. 65,00,00,000/- and to alter memorandum of association accordingly:
2. Appointment of Mr. Maganlal Prajapati (Din: 00564105) as an independent director:
3. Appointment of Mr. Kandarp Trivedi (Din: 00314065) as an independent director:
4. To advance loan or give guarantee or provide security in connection with any loan taken by any person in whom any of the director of the company is interested:

While resolution no. 1 is in the preparation of Rights Issue, resolution no. 4 is in respect to strengthening of subsidiaries.

There were apprehension in the market raised by some section of market investors and general public regarding resolution no. 4.

The company wishes to clarify that the resolution along with Explanatory Statement to be read as follows:

RESOLUTION NO. 4

TO ADVANCE LOAN OR GIVE GUARANTEE OR PROVIDE SECURITY IN CONNECTION WITH ANY LOAN TAKEN BY ANY PERSON IN WHOM ANY OF THE DIRECTOR OF THE COMPANY IS INTERESTED:

"RESOLVED THAT pursuant to Section 185(2) and all other applicable provisions of the Companies Act, 2013 read with Companies (Amendment) Act, 2017 and Rules made there under as may be amended, from time to time and pursuant to the Regulation 23(4) of the SEBI (Listing obligations and Disclosure requirements) Regulations, 2015, and subsequent modifications/ amendments thereto as are made from time to time, consent of the members of the Company be and is hereby accorded to Board of Directors, directly or indirectly, for entering into material related party transaction to advance any loan including any loan represented by a book debt, or give any guarantee or provide any security in connection with any loan taken by any specified entities which is a subsidiary or associate or joint venture of the Company, any other Companies in which any of the directors of the Company is deemed to be interested upto an aggregate sum of Rs. 500 Crores (Rupees Five hundred Crores Only) in their absolute discretion deem beneficial and in the interest of the Company, provided that such loans are utilized by the borrowing company for its principal business activities."

EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESSES PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013



As per the provisions of Section 185 of the Companies Act, 2013, no company shall, directly or indirectly, advance any loan including any loan represented by a book debt, to any of its Directors or to any other person in whom the Director is interested or give any guarantee or provide any security in connection with any loan taken by him or such other person. In order to promote ease of doing business, the entire Section 185 of the Companies Act, 2013 has been substituted vide Companies (Amendment) Act, 2017 and the same was notified by the Ministry of Corporate Affairs on 7th May, 2018.

In terms of the amended Section 185 of the Act, a company may advance any loan, including any loan represented by a book debt, to any person in whom any of the Directors of the Company is interested or give any guarantee or provide any security in connection with any loan taken by any such person, subject to the condition that approval of the shareholders of the Company is obtained by way of passing a Special Resolution and requisite disclosures are made in the Explanatory Statement. Further as per provisions of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 ("SEBI LODR"), any material related party transaction for providing any loans / guarantee / security to promoter group entity is covered under clause 2(1)(ZC) and Regulation 23 of SEBI (LODR) and other applicable provisions and the same also requires approval of shareholders.

The management is of the view that the Company may be required to deploy surplus funds, if available in its subsidiary Companies or to any other body corporate(s) in which the Directors of the Company are interested, as and when required.

Full particulars of the loans given and proposed Loan, guarantee, any security to be provided in connection with any loan taken Companies in which any of the Director of the Company is interested:

Amount of Loan proposed to be given to the following parties:

Crystal Ceramic Industries Private Limited. => Not exceeding Rs. 150 Crores

Amazone Ceramics Limited =>Not exceeding Rs. 50 Crores

Amount of Corporate Guarantee Proposed to be given the following parties:

Crystal Ceramic Industries Private Limited. => Not exceeding Rs. 200 Crores

Amazone Ceramics Limited =>Not exceeding Rs. 25 Crores

Purpose: Principal business activities by the recipient of the loan or guarantee or security.

Rate of Interest for Loan: Minimum 8.00%

Commission for Corporate Guarantee: As may be specified by Board.

Term: As may be specified by Board.

Recovery: For Loan: As may be specified by Board.

AGL has systematically disclosed all related party loans and guarantees in their financial statement filed at relevant periods, and none of them are detrimental to the interest of AGL Group and its shareholder's.



Position of Loan and Guarantees as on 30.06.2021.

Particulars	Company	Amount Involved as on 30.06.2021 (Rs. in Crore)	Rate of Interest
Corp Guarantee for security of loans	Crystal Ceramics Industries Private Limited	141.00	-
Loans	Crystal Ceramics Industries Private Limited	10.11	10%
Loans	Amazoone Ceramics Limited	4.94	12%

It is quite clear that AGL has got its priorities right by following the path of growth.

Point No. 2.

There were some misconception posts the promoters holding coming down. The Company also wishes to clarify that Promoters are holding around 26.12%, and they will continue to hold at this level. The promoters will increase holdings when the situation demands. The promoters are also infusing funds by subscribing to the rights issue in their entitlements. The promoters sold some stake in the month May 2021, the funds of which were used by the promoter's family in a Greenfield project called Adicon Ceramica LLP which will be manufacturing Large Format GVT tiles and AGL will be promoting that product in AGL brand on a substantial scale. This will be one of the unique plant in India, which will manufacture product which can generate heavy demand in the market. There are only few plants of similar type of products in Morbi, Gujarat. The production of the Adicon Ceramica LLP will start from July 2022. In Adicon Ceramica LLP, none of our promoters have any holding however, their family members have LLP holdings.