

Date: 7th February, 2023

To,
Corporate Relations Department
BSE Limited
2nd floor, P.J. Tower,
Dalal Street,
Mumbai – 400 001
Company Code: 532888

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

Dear Sir/ Madam,

Subject: Report of the Monitoring Agency

Pursuant to Regulation 41(4) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and Regulation 32(6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Monitoring Agency Report dated 6th February, 2023 in respect of utilization of proceeds of Rights Issue for the quarter ended 31st December, 2022 issued by M/s. ICRA Limited, Monitoring Agency.

You are requested to kindly take on your record.

Thanking You.

Yours truly,
For Asian Granito India Limited

Dhruti Trivedi
Company Secretary and Compliance Officer

Encl.: as above

Date: February 06, 2023

Mr. Mehul Shah

Chief Financial Officer

Asian Granito India Limited

202, Dev Arc, Opp Iskcon Temple.

Sarkhej Gandhinagar Highway,

Ahmedabad Gujarat – 380015

Dear Sir/Madam,

Re: Final Monitoring Agency report of Asian Granito India Limited for Q3 FY2023

Please refer to agreement dated April 06, 2022 appointing ICRA Limited as the Monitoring Agency (MA) Asian Granito India Limited's IPO/Rights Issue/Further Public Offer.

After due consideration, ICRA has prepared the attached final Monitoring Agency report as per SEBI (Issue of Capital and Disclosure Requirements) Regulations for Q3FY2023.

Please note that the Monitoring Agency report does not constitute a commentary on the quality of the objects of the issue, appropriateness or reasonableness of costs or spending by Asian Granito India Limited against any objects / heads or assurance on outcome of such spending.

We thank you for your kind cooperation extended during the course of Q3FY2023. Should you require any clarification, please do not hesitate to get in touch with us.

We look forward to your communication and assure you of our best services.

With kind regards

For ICRA Limited

SUPRIO
BANERJEE

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SUPRIO BANERJEE

Date: 2023.02.06
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Suprio Banerjee

Vice President and Sector Head

supriob@icraindia.com

MONITORING AGENCY REPORT

Name of the Issuer: Asian Granito India Limited

For quarter ended: Q3 FY2023

Name of the Monitoring Agency: ICRA Limited

(a) Deviation from the objects of the issue:

No deviation - the utilization of the issuance proceeds is in line with the objects of the issue

(b) Range of deviation:

Not Applicable

Declaration:

We declare that this report provides an objective view of the utilization of the issue proceeds in relation to the objects of the issue based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The MA does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives. This Report is not intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever. Nothing mentioned in this report is intended to or should be construed as creating a fiduciary relationship between the MA and any issuer or between the agency and any user of this report. The MA and its affiliates also do not act as an expert as defined under Section 2(38) of the Companies Act, 2013. The MA or its affiliates may have credit rating or other commercial transactions with the entity to which the report pertains and may receive separate compensation for its ratings and certain credit related analyses. We confirm that we do not perceive any conflict of interest in such relationship/ interest while monitoring and reporting the utilization of the issue proceeds by the issuer. We have submitted the report herewith in line with the format prescribed by SEBI, capturing our comments, where applicable. There are certain sections of the report under the title "Comments of the Board of Directors", that shall be captured by the Issuer's Management / Audit Committee of the Board of Directors subsequent to the MA submitting their report to the issuer and before dissemination of the report through stock exchanges. These sections have not been reviewed by the MA, and the MA takes no responsibility for such comments of the issuer's Management/Board.

Signature:

**SUPRIO
BANERJEE**

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SUPRIO BANERJEE
Date: 2023.02.06
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Suprio Banerjee, Vice President & Sector head

Analyst: Dhvani Vinchhi

QA: Parul Narang

1. Issuer Details

Name of the Issuer: Asian Granito India Limited

Name(s) of the promoters:

Promoters
<i>Kamleshkumar Bhagubhai Patel</i>
<i>Mukeshbhai Jivabhai Patel</i>
<i>Rameshbhai Bhikhabhai Patel</i>
<i>Kanubhai Bhikhabhai Patel</i>
<i>Pankaj M Patel</i>
<i>Girish N Patel</i>
<i>Bhaveshbhai Vinodbhai Patel</i>
<i>Hasmukhbhai Patel</i>

Source: BSE

Industry/ sector to which it belongs: Consumer Discretionary

2. Issue Details

Issue Period: Opening date- April 25, 2022

Closing date- May 10, 2022

Type of Issue: *Rights Issue*

Type of specified securities: Equity shares

IPO Grading, if any: *No credit rating agency registered with SEBI appointed for grading the offer*

Issue Size (Rs. Crore): *With OFS portion: 440.96 Crore; Excluding OFS portion: 440.96 Crore.*

Net proceeds: 422.1746 Crore (Excluding Issue Related Expense)

3. Details of the arrangement made to ensure the monitoring of issue proceeds

Particulars	Reply	Source of information, certifications considered by the Monitoring Agency for the preparation of report	Comments of the Monitoring Agency	Comments of the Issuer's Board of Directors
Whether all utilization is as per the disclosures in the Offer Document?	Yes	-Certification from Statutory Auditors -Confirmation from management -Bank statement of the proceeds account	<i>While the utilization is aligned to the objects disclosed in the Offer document, the actual utilization is expected to be with a delay due to capital expenditure projects under its subsidiaries running behind schedule.</i>	
Whether shareholder approval has been obtained in case of material deviations# from expenditures disclosed in the Offer Document?	Not Applicable	<i>As confirmed by the Issuer's management</i>	<i>No comments</i>	
Whether the means of finance for the disclosed objects of the issue has changed?	No	<i>As confirmed by the Issuer's management</i>	<i>No comments</i>	
Is there any major deviation observed over the earlier monitoring agency reports?	Not Applicable	<i>No deviation observed.</i>	<i>No comments</i>	
Whether all Government/ statutory approvals related to the object(s) have been obtained?	No	<i>As confirmed by the Issuer's management</i>	<i>For all capex related to Greenfield project in Morbi, i.e., Future Ceramic Private Limited, AGL Sanitaryware Private Limited and AGL Surfaces Private Limited, government/statutory approvals for land conversion, building plan and subsequent consents and licenses from Pollution control and Electricity board etc. are pending.</i>	
Whether all arrangements pertaining to technical assistance/ collaboration are in operation?	No		<i>For all capex related to Greenfield project in Morbi, i.e., Future Ceramic Private Limited, AGL Sanitaryware Private Limited and AGL Surfaces Private Limited, technical assistance is required only from vendors</i>	

Particulars	Reply	Source of information, certifications considered by the Monitoring Agency for the preparation of report	Comments of the Monitoring Agency	Comments of the Issuer's Board of Directors
		<i>As confirmed by the Issuer's management</i>	<i>during setting up and installation of the plant. Other than that, technical assistance and collaboration is not required for manufacturing of tiles.</i>	
Are there any favorable events improving the viability of these object(s)?	No	<i>As confirmed by the Issuer's management</i>	<i>As understood from the Issuer's management</i>	
Are there any unfavorable events affecting the viability of the object(s)?	No	<i>As confirmed by the Issuer's management</i>	<i>The company is evaluating other alternatives of capital expenditure in its subsidiary AGL surfaces Private limited like direct acquisition, joint ventures etc .</i>	
Is there any other relevant information that may materially affect the decision making of the investors?	Yes	<i>As confirmed by the Issuer's management</i>	<i>The planned capital expenditure in the subsidiaries as disclosed in objects is delayed by 2.5 to 9 months. The details of delays are available in 4(iv).</i>	

Where material deviation is defined to mean:

- (a) *Deviation in the objects or purposes for which the funds had been raised*
- (b) *Deviation in the amount of funds actually utilized by more than 10% of the amount specified in the offer document*

4. Details of the object(s) to be monitored
(i) Cost of object(s)

S.N.	Item Head	Source of information, certifications considered by the Monitoring Agency for the preparation of report	Original cost (as per the offer document) [Rs. Crore]	Revised cost [Rs. Crore]	Comments of the Monitoring Agency	Comments of the Issuer's Board of Directors		
						Reason for cost revision	Proposed financing option	Particulars of firm arrangements made
1	<i>Funding the capital expenditure for setting up of new manufacturing units under the following newly incorporated wholly owned subsidiaries of the Company:</i>	<i>Letter of Offer</i>						
	<i>Future Ceramics Private Limited</i>		<i>173.3727</i>	<i>Not Applicable</i>	<i>No comments</i>			
	<i>AGL Sanitaryware Private Limited</i>		<i>45.2553</i>	<i>Not Applicable</i>	<i>No comments</i>			
	<i>AGL Surfaces Private Limited</i>		<i>32.1683</i>	<i>Not Applicable</i>	<i>No comments</i>			
2	<i>Working Capital for Greenfield Projects, Morbi</i>	<i>Letter of Offer</i>	<i>39.40</i>	<i>Not Applicable</i>	<i>No comments</i>			
3	<i>Capex for setting up display center, Morbi</i>	<i>Letter of Offer</i>	<i>37.2332</i>	<i>Not Applicable</i>	<i>No comments</i>			
4	<i>General Corporate Purpose</i>	<i>Letter of Offer</i>	<i>94.7551</i>	<i>Not Applicable</i>	<i>No comments</i>			
	Total		422.1746					

(ii) Progress in the object(s)

S.N.	Item Head*	Source of information, certifications considered by the Monitoring Agency for the preparation of report	Amount as proposed in the offer document [Rs. Crore]	Amount utilized. [Rs. Crore]			Total unutilized amount [Rs. Crore]	Comments of the Monitoring Agency	Comments of the Issuer's Board of Directors	
				As at the beginning of the quarter	During the quarter	At the end of the quarter			Reasons for idle funds	Proposed course of action
1	Capital expenditure	-Certification from Statutory Auditors -Bank statement of the proceeds account								
	Future Ceramic Private Limited (FCPL)	Same as above	173.3727	50.55	38.41	88.96	84.4127	No comments		
	AGL Sanitaryware Private Limited (ASWPL)	Same as above	45.2553	-	6.83	6.83	38.4253	No comments		
	AGL Surfaces Private Limited (ASFPL)	Same as above	32.1683	-	-	-	32.1683	No comments		
2	Funding the working capital requirements of the Proposed Projects, post commencement of commercial production	Same as above	39.40	-	-	-	39.40	No comments		
3	Funding the capital expenditure for setting up the display center at Morbi to showcase the entire range of products and capabilities	Same as above	37.2332	-	-	-	37.2332	No comments		
4	General corporate purposes	Same as above	94.7451	94.7451	-	94.7451*	Nil	No Comments		
Total			422.1746	145.30	45.24	190.54	231.6346			

***Note: Amount of Rs. 86.35 crore is utilized for loans and advances to its subsidiary Crystal Ceramic Industries Limited for repayment of its term loans. This is in line with the proposed utilization of the proceeds under the head General Corporate purposes as specified in the objects of offer.**

(iii) Deployment of unutilized proceeds

S.N.	Type of instrument and name of the entity invested in	Amount invested [Rs. Crore]	Maturity date	Earning [Rs. Crore]	Return on Investment [%]	Market Value as at the end of quarter [Rs. Crore]
1	Fixed Deposit with HDFC Bank	150.00	July 08, 2023	4.47	5.85%	154.47
2	Fixed Deposit with HDFC Bank	30.00	September 04, 2023	0.61	6.05%	30.61
3	Fixed Deposit with Indusind Bank	20.00	August 06, 2023	0.56	6.75%	20.56
4	Fixed Deposit with Indusind Bank	15.00	October 21, 2023	0.24	7.35%	15.24
5	Fixed Deposit with HDFC Bank	14.00	March 31, 2023	0.005	6.10%	14.00
5	Cash Credit Account, Current Account & Proceed Account	5.23*	-	-	-	5.23
Total		234.23#	-	3.32	-	240.11

Source: As certified by RRS & Associates, the statutory auditor of the Issuer

*-Includes Rs 1.00 Cr deposited in Cash Credit account, which as confirmed by the management is intended to be used for land development expenditure for setting up the display Centre as mentioned in Item no. 3 of Table(ii).

#The additional unutilized amount of Rs 2.5954 Cr pertains to unutilized Issue related expenses and Interest income net of withdrawals by AGL

(iv) Delay in the implementation of the object(s)

Object(s)	Completion date		Delay [Number of days or months]	Comments of the Issuer's Board of Directors	
	As per the offer document	Actual [^]		Reason for delay	Proposed course of action
Funding the capex - Future Ceramic Private Limited (FCPL)	March 31, 2023	June 15,2023	2.5 months	Due to heavy and delayed monsoon in Morbi, construction work is delayed.	NA
Funding the capex – AGL Sanitaryware Private Limited	March 31, 2023	August 31, 2023	5 months		NA
Funding the capex – AGL Surfaces Private Limited	March 31, 2023	December 31,2023	9 months	Due to evaluation of better projects, the company has delayed the original project	NA
Funding the capex – Display Center	March 31, 2023	December 31,2023	9 months	Due to Evaluation of constructing Display Center at other location, the Company has delayed the Original Project	NA
Working Capital – Proposed Capex	March 31, 2024	December 31,2024	9 months	Due to Above	NA

Source: As confirmed by the Issuer's management

[^]Refers to the latest estimate of the completion date

5. Details of utilization of proceeds stated as General Corporate Purpose (GCP) amount in the offer document

S.N.	Item Head	Amount [Rs. Crore]	Source of information, certifications considered by the Monitoring Agency for the preparation of report	Comments of the Monitoring Agency	Comments of the Issuer's Board of Directors
1	Payment to creditors, Utilities and Statutory Dues	8.40	Statutory auditor certification and Bank statements	No Comments	
	Creditors	5.42			
	Utilities	NIL			

S.N.	Item Head	Amount [Rs. Crore]	Source of information, certifications considered by the Monitoring Agency for the preparation of report	Comments of the Monitoring Agency	Comments of the Issuer's Board of Directors
	<i>Statutory dues</i>	2.98			
2	<i>Loans and Advances to Subsidiary- Crystal Ceramics Industries Private Limited</i>	86.35*	<i>Statutory auditor certification and Bank statements</i>	No Comments	
	Total	94.75			

Note: Amount of Rs 86.35 crore is utilized for loans and advances to its subsidiary Crystal Ceramic Industries Limited for repayment of its term loans. This is in line with the proposed utilization of the proceeds under the head General Corporate purposes as specified in the objects of offer.