



ASIAN GRANITO INDIA

ASIAN TILES.NS
CMP: 50

532888 PREMIUM
BUY BELOW: 60

JUN 2022

ABOUT COMPANY



Asian Granito India Ltd (AGL) formed in 2000 is leading ceramic company in India. The company serves customers in India & Abroad with high Reputation & Quality distinct. The company manufacturers wide variety Ceramic Tiles, Marble and Quartz & Bathware.

The core production plant is located in Gujarat with an area over 320000 square meter. Company is focused on high-quality in products & state of the art design technology to ensure Aesthetics for the modern customer demands.

Company is in Growth Spree for past 22 Years & Expanded Capacity 40 Times during the same period. The Growth Spree is continuing with Capacity Expansions going on for the Increased demand.

The distribution network include 6500 Touch Points and 2700 Distributors & Dealers thereby ensuring a country-wide & globe-level accessibility for AGL products. AGL exports to more than 120 countries globally.

AGL is headed by Mr. Kamleshbhai Patel as Chairman and Mr. Mukeshbhai Patel as Managing Director. They keep a vision of being the Leader in Marble & Quartz products in India thereby achieving the Goals of becoming 6000 Crore Capitalization by the Year 2030.



Sanitaryware

Faucets & Bath fittings



**Water Closets, Basins, Urinals, Cisterns,
Seat Covers**



**Taps, Bathroom Accessories, Showers,
Allied Items**



POSITIVES

- GROWTH SECTOR the tiles, marble & quartz market is expected to grow 5% till 2030. AGL enjoys the growth with a 3X factor yielding 15% CAGR. Indian Modular Kitchen market is expected to grow at 27% CAGR.
- ECONOMIC MOAT the company is a market leader in marble & quartz segment thereby enjoying customer referrals & higher profit margins.
- INTERNATIONAL ADVANTAGE The post-covid ceramic demand went up & coupled with US-China trade conflicts helped AGL to increased business. The trend is expected to continue upcoming years too.
- PRODUCT EXPANSION company is expanding its products line continuously with an Increase in the Retail Touch Points. Global Collaboration cards on way to become Global Leader in the Marble & Quartz segment.
- CAPACITY EXPANSION through Brownfield & Greenfield channels ensures the Growth Momentum to continue for next decade.

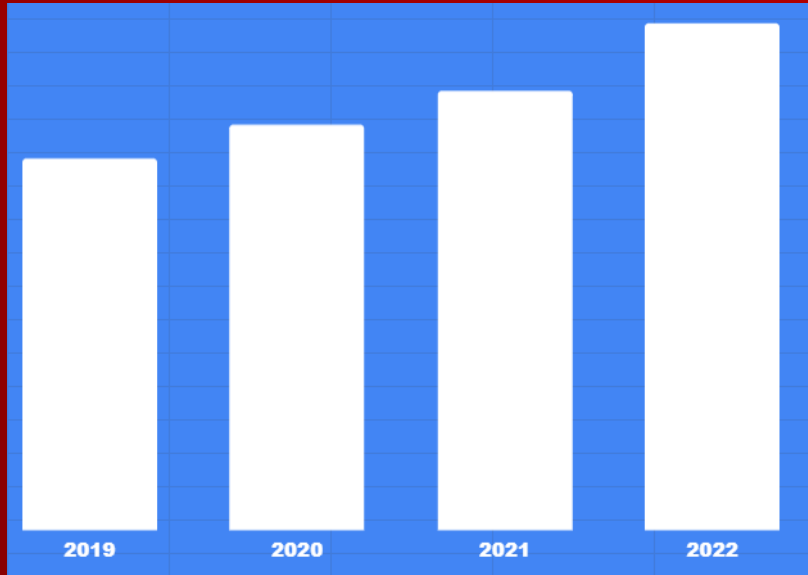
POSITIVES

- LOW VALUATION Stock Price Undervalued due to the recent corrections in Indian Stock Market. As of today the Valuation stays Attractive at PE Ratio is below 7, Book Value Ratio is 1X & Intrinsic Value Discount at 90%.
- DEBT of AGL is low at Debt Equity Ratio at 0.22. Company is issuing Rights to bring this down to 0 thus positioning as a Zero Debt company.
- RESERVES of the company is increasing with ROE & ROCE above 12% levels. The debtor days & inventory days are improving too in past quarters.

Global Presence



FINANCIALS



12%

CAGR Growth in Revenue

20%

CAGR Growth in Profits

NEGATIVES

- REAL ESTATE DEPENDENT Company is heavily dependent on Real Estate Sector Growth which is a Fluctuated Growth arena. The delay in Affordable Housing 2022 by GoI affected the growth prospects of the company.
- LABOUR AVAILABILITY is a challenge for the expanded growth & ensuring highest capacity utilizations & ROE.
- QUALITY RAW MATERIAL AVAILABILITY is a challenge for the company.
- RUPEE INSTABILITY adds further troubles & Forex losses.
- NET PROFIT MARGIN LOW at 3% levels. Company is Ambitious to bring this to 10% Levels by 2030. Recent Net Profit includes Other Income spikes.
- PROMOTER HOLDING LOW around 30% levels. Few Income Tax related issues exists.

WARREN BUFFETT CHECKLIST

FACTOR	OUTCOME
ECONOMIC MOAT	MODERATE
GROWTH	GOOD
VALUATION	GOOD
DEBT	GOOD
INTEGRITY	MODERATE



SUMMARY

RISK: MODERATE

RETURNS: MODERATE

MULTIBAGGER

- The company is having Multibagger Properties and could give 300-500% returns in 5 Years & 1000% plus in 10 year time line if the growth is persisted.

BUYING STRATEGY

- Buy 70% at Current Price Level and 30% remaining on 30% Correction Levels

[Conservative Investors can do 50% now, remaining at 50% corrections or below]

HOLDING PERIOD 5 Years

[We are into LONG TERM INVESTING and Investor should not expect quick up movements in price. Incremental Investing is advised & Any corrections should be considered as Opportunity to add more – Remember our focus should be the 500% Future returns – so any price correction investments will zoom the returns]

CATEGORY Premium

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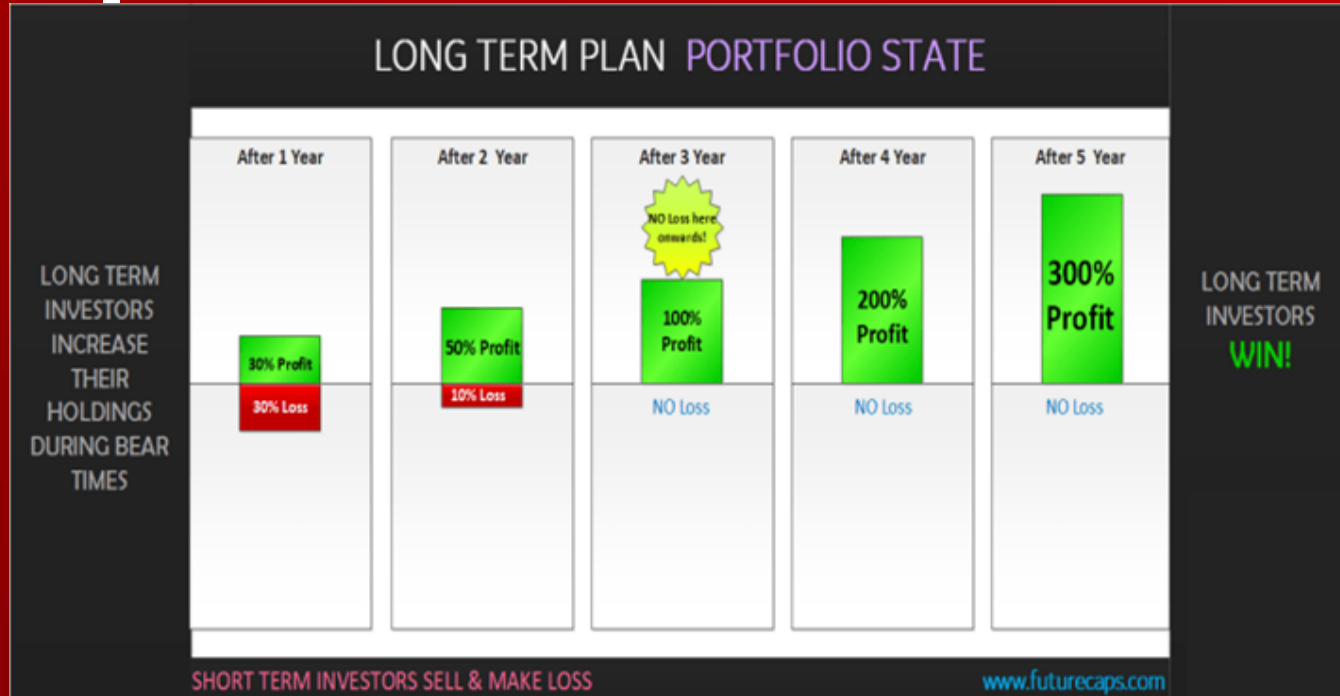
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PORTFOLIO



If you keep a Portfolio of high-growth stocks & manage based on Intrinsic Value then above 2 Years you will be have No Losses & Above 5 years you will have definite progress in the current India Growth Scenarios

KEY GUIDELINES

1

LONG TERM INVESTING

Long Term Investing is the Purpose of Stock Market. In short-term stock prices will move up & down but in long term up only aligning with the company performance. DO NOT GET PANIC IF PRICE CORRECTS 30-50% AS WE EXPECT 300-500% RETURNS!

IT IS PASSIVE

Long Term Investing is Passive. You only need to spend couple of hours per month to read reports, perform 1-2 buy-sell activities.

NO DAILY PRICE MOVEMENT WATCHING

No daily price movement watching required as we are not Day Traders.

BEAR MARKET IS A BLESSING

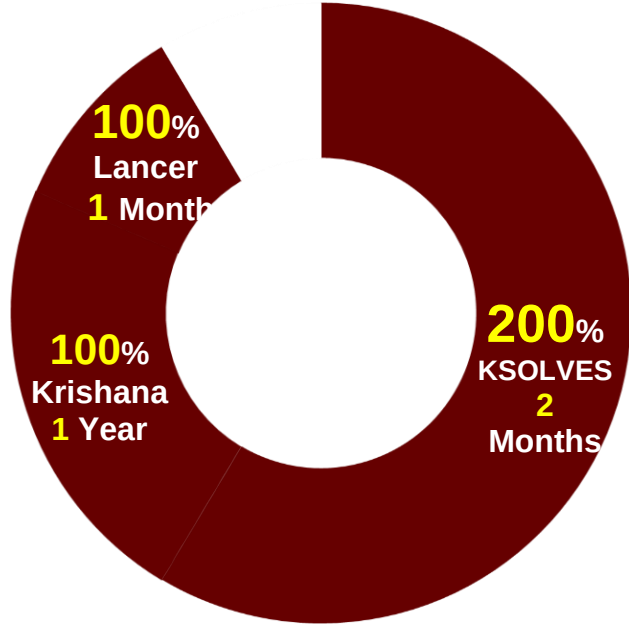
We should keep 30% Reserve Fund to Opportunities any Bear Market price crashes. A growth company bought at cheaper prices will maximize the returns in future.

Example: Advisor bought Caplin at Rs. 400 in 2019, later in 2020 the price crashed to Rs. 200. The Advisor bought more at the Price as the Growth & Valuations were attractive. Later back in 2022 the price reached Rs. 1000 levels giving 200% Returns on the original investment & 300% on the bear bottom investment. So bear market are golden opportunities!

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