

RESTILE CERAMICS LIMITED

30th Annual Report 2015-16

BOARD OF DIRECTORS

Sri Nalinkant Amratlal Rathod	-	Chairman
Sri Tribhuvan Simh Rathod	-	Managing Director
Sri. Ramachandran N.S	-	Independent Director
Sri N S Mani	-	Independent Director
Sri K.Rajendra Prasad	-	Nominee Director - APIDC
Sri. Seetharaman TR	-	Director
Sri G.Padmanabhan	-	Director
Smt Bharathi Rathod	-	Director
Sri. Kaushik Dhirajlal Shah	-	Additional Director

KEY MANAGERIAL PERSONS

Mr Subba Rao Maddula	-	Chief Financial Officer
Ms Rekha Singh	-	Compliance Officer & Company Secretary

SHAREHOLDERS' INFORMATION

Annual General Meeting	30th AGM on 24th September, 2016
Venue	At Registered office at Malkapur Village, Hatnoora Mandal, Narsapur Taluk, Medak District-502 296, Telangana.
Auditors	M/s. M.S.Krishnaswami & Rajan Chartered Accountants GB, Anand Apartments, JP Avenue, Dr.Radhakrishnan Road, 6th Street, Chennai -600 004.
Bankers	State Bank of India Industrial Finance Branch, Somajiguda Hyderabad - 500 082 Sanga Reddy Branch, Sanga Reddy, Medak – 502 001
Registered Office & Factory Location	Malkapur Village, Hatnoora Mandal, Narsapur Taluk, Medak District-502 296, Telangana. www.restile.com
CIN	L26931TG1986PLC006480
Book Closure Date	17.9.16 to 24.9.16
Listing	Bombay Stock Exchange Ltd
ISIN NO	INE298E01022
Stock Code	515085
Evoting Dates	20.9.16 to 23.9.16
Registrars & Share Transfer Agents	M/s. Cameo Corporate Services Ltd, Subramanian Building, 1-Club House Road, Chennai 600 002. Telephone No: 044-28460390.

NOTICE

NOTICE is hereby given that the 30th Annual General Meeting of the Members of the Company will be held at 11.30.A.M on 24th September 2016 at the registered office of the Company situated at Malkapur Village, Hatnoora Mandal, Narsapur Taluk, and Medak District-502 296, Telangana to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss for the year ended on that date along with Cash Flow Statement and notes forming part of accounts, together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint Sri. Nalinkant Amratlal Rathod (DIN: 00272129) as Director who retires by rotation and is eligible for reappointment.
3. To appoint Smt. Bharathi Nalin Rathod (DIN: 02587701) as Director who retires by rotation and is eligible for re-appointment
4. To appoint Auditors and fix their remuneration.

In this connection, to consider and if thought fit, to pass the following as an Ordinary Resolution;

“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed there under, as amended from time to time, M/s. M. S. Krishnaswami & Rajan, Chartered Accountants (Firm Registration No. 01554S), be and is hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, at such remuneration plus service tax, out-of-pocket expenses, travelling expenses etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

SPECIAL BUSINESS

5. Re-appointment of Mr. Tribhuvan Simh Rathod as Managing Director of the Company.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution.

“RESOLVED THAT pursuant to the recommendation of the Nomination & Remuneration Committee, the Board of Directors subject to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification or re-enactment thereof) read with Schedule- V of the Companies Act, 2013 and Articles of Association of the Company, approval of the members of the Company be and is hereby accorded to the re-appointment of Mr. Tribhuvan Simh Rathod (DIN: 01996833), as Managing Director of the Company for a period of 2 years with effect from 11th August, 2016 to 12th August, 2018 at **NIL** Remuneration.

6. Appointment of Mr. Gopalachari Padmanabhan as Independent Director of the Company;

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Ordinary Resolution.

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or reenactment

thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, the consent of the members of the Company be and is hereby accorded to appoint, Mr. Gopalachari Padmanabhan (DIN: 00101432), Director of the Company in respect of whom the Company has received a notice in writing signifying his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for a period of five consecutive years from 08th February, 2016.”

7. Appointment of Mr. Tenkasi Ramanarayanan Seetharaman as Independent Director of the Company:

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Ordinary Resolution.

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or reenactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, the consent of the members of the Company be and is hereby accorded to appoint, Mr. Tenkasi Ramanarayanan Seetharaman (DIN: 02385221), Director of the Company, in respect of whom the Company has received a notice in writing signifying his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company to hold the office for a period of five consecutive years from 08th February, 2016.”

8. Appointment of Mr. Kaushik Dhirajlal Shah as Independent Director of the Company.

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Ordinary Resolution.

“**RESOLVED THAT** pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (the ‘Act’) and the Rules made there under, as amended from time to time, the consent of the members of the Company be and is hereby accorded to appoint Mr. Kaushik Dhirajlal Shah (DIN: 00024305), who has been appointed as an Additional Director of the Company by the Board of Directors in terms of section 161 of the Act on 21.05.2016 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a period of five consecutive years from 21st May 2016.”

9. Authority to borrow in excess of the paid up capital and reserves.

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution.

“**RESOLVED THAT** in supersession of the earlier resolution passed by the Members of the Company in the previous Annual General Meeting, the Board of Directors of the company be and is hereby authorized in accordance with the provisions of Sec.180(1)(c) and other applicable provisions if any, of the Companies Act,2013, to borrow from time to time all such sums of money as may deem requisite for the purpose of the business of the Company provided that the moneys to be borrowed together with the moneys already borrowed by the company apart from temporary loans obtained from the company’s bankers in the normal course of business shall not exceed the aggregate of the paid-up capital and free reserves by More than Rs. 50 Crores (Rupees Fifty Crores only)”.

“**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorized to finalize and execute such documents as may be required and to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary proper or desirable in the best interest of the Company.”

10. Authority to create mortgages, charges and hypothecations

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT, in modification of the resolution passed at the previous Annual General Meeting, the consent of the Company be and is hereby accorded to the Board of Directors pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013, read with Articles of Association of the Company, for the creation of such mortgages, charges and hypothecations, on all immovable and movable properties of the company, both present and future, up to an amount not exceeding the aggregate of the paid up capital and free reserves by more than Rs. 50 Crores (Rupees Fifty Crores only) in favour of lending Financial Institution (s) / Corporate Body (s) / person (s) / Corporation (s) / Government (s) / Lenders (s) / Bank (s) for moneys borrowed or to be borrowed.”

“FURTHER RESOLVED THAT the Board of Directors of the company be and are hereby authorized to finalize the terms and conditions for creating the aforesaid mortgages and / or charges and to execute the documents and such other agreements and also to agree to any amendments thereto from time to time as it may think fit for the aforesaid purpose and to do all such acts, deeds, matters and things as may be necessary and expedient for giving effect to this resolution.”

By Order of the Board of Directors

Sd/-

Nalinkant Amratlal Rathod

(DIN 00272129)

CHAIRMAN

Place: Vadodara

Date: 6th August 2016

NOTES

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. The proxy in order to be effective must be received by the Company at its registered office not less than 48 hours before the commencement of the meeting.
3. Members/proxies are requested to bring their copies of Annual Report and the attendance slip duly filled in for attending the meeting. Copies of the Annual Reports will not be provided at the meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 17th September 2016 to 24th September 2016.
5. Members are requested to notify any change in their addresses to the Company's Share and Depository Transfer Agents. Members are also requested to intimate their email to the Company's Share and Depository Agent.
6. Members holding shares in physical form are requested to convert their holdings into Demat. The Company's Id with CDS (I) L and NSDL is INE298E01022. The Company's Registrar and Share Transfer Agents are M/s. CAMEO CORPORATE SERVICES LIMITED, "Subramanian Building" 1- Club House Road, Chennai 600 002.
7. Members desiring any information as regards accounts are requested to write to the Company at least seven days before the date of the meeting to enable the management to keep the information ready at the meeting.
8. Copies of Annual Report are being sent by electronic mode only to all the members whose email address are registered with Company/Depository participant for communication purposes unless any member requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the Annual Report 2016 are being sent by the permitted mode.
9. The shares of the Company are listed with Bombay Stock Exchange. The Listing Fee for the year 2015-2016 has been paid to Stock Exchange.
10. Brief resume of the Directors seeking reappointment and other details as stipulated under under SEBI (LODR) Regulation, 2015, are provided as part of the AGM notice.
11. Shareholders holding shares in physical form are invited to contribute to the cause of Green Initiative by registering their e-mail ID, by submitting the E- COMMUNICATION REGISTRATION FORM inserted in the Annual Report.
12. Voting through Electronic Means:

In compliance with provisions of Section-108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to inform you the facility to exercise your voting right at the Annual General Meeting by electronic means (e-Voting) and the business may be transacted through e-voting Services provided by Central Depository Services Ltd (CDSL).
13. The procedure and instruction for e-voting are as under:
 - (i) The voting period begins on 20th September, 2016 on 09:00 A.M. and ends on 23rd September, 2016 05:00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 16/09/2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits folio number in the PAN field. • In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank details) as recorded in your demat account or in the company records for the said demat account or folio <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/ NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xx) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be e-mailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

By Order of the Board of Directors

Sd/-

Place: Vadodara
Date: 6th August 2016

Nalinkant Amratlal Rathod
(DIN 00272129)
CHAIRMAN

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 forming part of the 30th Annual General Meeting of the Company**Item No.2**

Mr. Nalinkant Amratlal Rathod (DIN: 00272129), Director of the Company, retiring by rotation at the ensuring AGM under the provisions of the Companies Act, 2013. In terms of section 152 and other applicable provisions of the Companies Act, 2013. Mr. Nalinkant Amratlal Rathod being eligible, offers himself for re appointment.

His other directorships include M/s. Bell Granito Ceramica Limited, M/s. Atreya Finance Private Limited and M/s. Restile Marketing Private Limited. He is holding 81,26,383 shares in the Company.

The Company has received from Mr. Nalinkant Amratlal Rathod, consent in writing to act as Director liable to retire by rotation. Except Mr. Nalinkant Amratlal Rathod being an appointee, and Mr. Tribhuvan Simh Rathod & Mrs Bharathi Nalin Rathod being relatives of Mr. Nalinkant Amratlal Rathod, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at item no.2.

This explanatory statement may also be regarded as a disclosure under SEBI (LODR) Regulations, 2015 with the Stock Exchange.

Item No.3

Smt. Bharathi Nalin Rathod (DIN: 02587701), Director of the Company, retiring by rotation at the ensuing Annual General Meeting under the provisions of the Companies Act, 2013. In terms of section 152 and other applicable provisions of the Companies Act, 2013. Smt. Bharathi Nalin Rathod being eligible, offer herself for re-appointment.

Her other directorships include M/s. Atreya Finance Private Limited, M/s. Sologuard Medical Devices Private Limited and M/s. AVP Trading Private Limited.

The Company has received from Smt. Bharathi Nalin Rathod, consent in writing to act as Director liable to retire by rotation, Except Smt. Bharathi Nalin Rathod being an appointee and Sri. Nalinkant Amratlal Rathod and Mr. Tribhuvan Simh Rathod being relatives of Smt. Bharathi Nalin Rathod, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at item no. 3

This explanatory statement may also be regarded as a disclosure under SEBI (LODR) Regulations, 2015 with the Stock Exchange

Item No. 5

The shareholders at their 28th AGM held on 29.09.2014 have appointed Mr. Tribhuvan Simh Rathod as Managing Director of the Company till 11.08.2016. As the term of his office is due for re-appointment, the Board at their meeting held on 06.08.2016 have re-appointed him for another term of 2 years w.e.f. 12.08.2016 without any remuneration, on the terms conditions as mentioned in the resolution, subject to the approval of shareholders.

Approval of the members is required by way of Ordinary Resolution for appointment and payment of remuneration.

Keeping in view that Mr. Tribhuvan Simh Rathod is a Chartered Accountant and has rich and varied experience in the Industry and has been involved in the operations of the Company over a long period of time, it would be in

the interest of the Company to continue the employment of Mr. Tribhuvan Simh Rathod as Managing Director of the Company.

Mr. Tribhuvan Simh Rathod, subject to the superintendence, control and direction of the Board of Directors, manage and conduct the business and affairs of the Company relating to Finance and Control. He shall not be paid any sitting fee for attending meetings of the Board or Committee thereof.

The appointment can be terminated by Mr. Tribhuvan Simh Rathod or the Company, by one party giving to the other 3(three) calendar months' notice in writing or by payment of a sum equivalent to remuneration for the notice period or part thereof in case of shorter notice or on such other terms as may be mutually agreed.

His other directorships include M/s. Bell Granito Ceramica Limited (Managing Director), M/s. Atreya Finance Private Limited, M/s. Sologuard Medical Devices Private Limited and M/s. Restile Marketing Private Limited. He is not holding any shares in the Company.

Notice has been received from a member signifying his intention to propose appointment of Mr. Tribhuvan Simh Rathod as Managing Director of the Company along with a deposit of Rs. 1,00,000/-.

The Board of Directors recommended the resolution for the approval of Shareholders.

Additional Disclosure about the appointee as per Schedule V Part II of the Companies Act, 2013.

- Nature of Industry:

M/s. Restile Ceramics Limited is in the Business of manufacturing of Vetrified Tiles. The Company was incorporated in 1986 and is based in Telangana, India.

- Date of Commencement of Commercial Production:

The commercial operations of the Company started during the year 1986.

- Financial Performance : Performance of the Company for the last three years is as follows:

	(Rs. in Lakhs)		
Item	2014-15 (Rs.)	2013-14 (Rs.)	2012-13 (Rs.)
Income from Operations (Gross)	296.08	428.30	384.13
Profit / (Loss) before Tax	(1084.26)	(1274.61)	(1077.80)
Profit / (Loss) after Tax	(1095.00)	(1274.61)	(1077.80)

- Export Performance and net foreign exchange earnings : NIL

- Foreign Investments or Collaborations, if any : NIL

Except Mr. Tribhuvan Simh Rathod being an appointee and his relatives Mr. Nalinkanth Amritalal Rathod and Smt. Bharathi Nalin Rathod, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution.

This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013.

Item No.6

The Board at their meeting held on 08.02.2016 has appointed Mr. Gopalachari Padmanabhan, Non-Executive Director of the Company as Independent Director of the Company, subject to approval of shareholders.

As per the provisions of Section 149 of the Act, which has come into force with effect from 1st April, 2014, an Independent Director shall hold office for a term of five consecutive years on the Board of a Company and is not liable to retire by rotation. Mr. Gopalachari Padmanabhan has given a declaration to the Board that he meets the criteria of independence as provided under Section 149 (6) of the Act.

In the opinion of the Board, Mr. Gopalachari Padmanabhan fulfils the conditions specified in the Act and the Rules made thereunder for appointment as Independent Director and he is independent of the management.

His other directorships include M/s. Bell Granito Ceramica Limited. He is not holding any shares in the Company.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Gopalachari Padmanabhan as Independent Director is now being placed before the Members in general meeting for their approval.

The terms and conditions of appointment of Independent Directors shall be open for inspection by the Members at the Registered Office during normal business hours on any working day of the Company.

Except Mr. Gopalachari Padmanabhan being an appointee none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution.

Item No.7

The Board at their meeting held on 08.02.2016 has appointed Mr. Tenkasi Ramanarayanan Seetharaman, Non-Executive Director of the Company as Independent Director of the Company, subject to approval of shareholders.

As per the provisions of Section 149 of the Act, which has come into force with effect from 1st April, 2014, an Independent Director shall hold office for a term of five consecutive years on the Board of a Company and is not liable to retire by rotation. Mr. Tenkasi Ramanarayanan Seetharaman has given a declaration to the Board that he meets the criteria of independence as provided under Section 149 (6) of the Act.

In the opinion of the Board, Mr. Tenkasi Ramanarayanan Seetharaman fulfils the conditions specified in the Act and the Rules made there under for appointment as Independent Director and he is independent of the management.

His other directorships include M/s. Bell Granito Ceramica Limited. He is not holding any shares in the Company.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Tenkasi Ramanarayanan Seetharaman as Independent Director is now being placed before the Members in general meeting for their approval.

The terms and conditions of appointment of Independent Directors shall be open for inspection by the Members at the Registered Office during normal business hours on any working day of the Company.

Except Mr. Tenkasi Ramanarayanan Seetharaman being an appointee none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution.

Item No. 8

Mr. Kaushik Dhirajlal Shah was appointed as an Additional Director at the Board meeting held on 21.05.2016 in the capacity of Independent Director, in terms of section 161 of the Act and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under section 160 of the Act from a member proposing his candidature for the office of Independent Director.

As per the provisions of Section 149 of the Act, which has come into force with effect from 1st April, 2014, an Independent Director shall hold office for a term of five consecutive years on the Board of a Company and is not liable to retire by rotation. Mr. Kaushik Dhirajlal Shah has given a declaration to the Board that he meets the criteria of independence as provided under Section 149 (6) of the Act.

In the opinion of the Board, Mr. Kaushik Dhirajlal Shah fulfils the conditions specified in the Act and the Rules made there under for appointment as Independent Director and he is independent of the management.

His other directorships include M/s. Amol Dicalite Limited, M/s. Arman Financial Services Limited, M/s. W H Brady And Company Limited, M/s. Brady And Morris Engineering Company Limited, M/s. Brady Services Private Limited, M/s. Energy Infrastructure (India) Limited and M/s. Global Tradecracker Private Limited. He is not holding any shares in the Company.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Kaushik Dhirajlal Shah as Independent Director is now being placed before the Members in general meeting for their approval.

The terms and conditions of appointment of Independent Directors shall be open for inspection by the Members at the Registered Office during normal business hours on any working day of the Company.

Except Mr. Kaushik Dhirajlal Shah being an appointee none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution.

Item No. 9 & 10

The Company may need to borrow in excess of paid up capital and free reserves to meet the corporate and working capital requirements. As per section 180(1) (a) & 180 (1) (c) of Companies Act 2013, approval of shareholders by way of special resolution is required for borrowing in excess of Paid up capital and Free Reserves and to create charge on the properties of the company.

The Directors recommends the resolution for members' approval as a Special Resolution pursuant to Section 180(1) (a) & 180 (1) (c) of the Companies Act, 2013.

None of the Directors, Key Managerial persons and relatives are interested or concerned in passing of the resolution

By Order of the Board of Directors

Sd/-

Nalinkant Amratlal Rathod

(DIN 00272129)

Chairman

Place: Vadodra

Date: 06th August, 2016

DIRECTORS' REPORT

To the Members:

The Directors are pleased to present the 30th Annual Report of the Company together with its Audited Financial Statements for the year ended March 31, 2016.

Financial Results

Particulars	₹ Lakhs	
	2015-16	2014-15
Gross Sales	319.28	271.55
Other Income	20.76	34.50
EBITDA	(191.38)	(166.93)
Interest and Financial charges	26.86	95.73
Depreciation	785.35	821.60
Profit/(Loss) before taxes	(1003.60)	(1084.26)
Provision for taxes	3.12	10.74
Profit / (Loss) carried to Balance Sheet	(1006.72)	(1095.00)

Company Performance

The Company achieved a turnover of ₹319.28 Lakhs for the period ended March 31, 2016; increased by ₹47.73 Lakhs (17.58%) as compared to previous year.

The total expenditure for the period ended March 31, 2016 stood at ₹1,343.94 Lakhs, decreased by ₹47.14 Lakhs (3.39%) as compared to previous year.

The Loss (EBITDA) before Depreciation, Finance Cost and Tax for the year ended March 31, 2016 amounted to ₹191.38 Lakhs, increased by ₹24.45 Lakhs (14.65%) as compared to previous year.

The Loss before tax and Exceptional item(s) for the year ended March 31, 2016 amounted to ₹1003.60 Lakhs, decreased by ₹80.66 Lakhs (7.44%) as compared to previous year.

The provision for tax for the year ended March 31, 2016 stood at ₹3.12 Lakhs. The Loss after tax for the year ended March 31, 2016 stood at ₹1006.72 Lakhs as against a loss of ₹1095.00 Lakhs of the previous year. No transfer was made to General reserve during the year ended March 31, 2016.

Dividends

Your directors regret to state that in view of the continuous losses suffered by the company no dividend has been recommended for the year ended March 31, 2016.

Share Capital

The Authorised Share Capital of the Company as on date of Balance Sheet is ₹100,00,00,000/- divided into 10,00,00,000 equity shares of ₹10/- each.

The paid up share capital of the company as on date of balance sheet is ₹98,27,92,390/- divided into 9,82,79,239 equity shares of ₹10/- each.

During the year under review, the company has neither increased the Authorised share capital nor allotted any equity shares

Borrowings

The Company's borrowings as at March 31, 2016 stood at ₹3,365 lakhs as against ₹2916 lakhs as at March 31, 2015.

Fixed Deposits

The Company has not accepted any fixed deposits, within the meaning of section 73 of the companies Act 2013, Read with the Companies (Acceptance of Deposits) Rules, 2014 during the period under review.

Information About Subsidiary / Joint Ventures

Your Company does not have any subsidiary or Joint Ventures nor is a subsidiary or Joint Venture to any other Company.

Particulars of related party contracts and other arrangements under section 188 of the company

All related party transactions that were entered into during the year under review were on arms-length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Companies Act, 2013. Suitable disclosures as required under AS 18 have been made in notes to the financial statements; the Company has developed a related party transactions frame work through standard operation procedures for the purpose of identification and monitoring such transactions.

Implementation of Risk Policy

Pursuant to Clause 49 of the listing Agreement, the Company has framed a Risk Management Policy.

This policy framework enables the company to identify and evaluate risks and opportunities.

This framework seeks to create transparency, minimize adverse impact on business objective and enhance the Companies competitive advantage.

Directors and Key Managerial Personnel (KMP)

The Board of Directors based on the recommendations of Nomination and Remuneration committee appointed Mr. Kaushik D Shah as Additional Director under the category of Independent Directors with effect from May 21, 2016. He holds office up to the date of the forthcoming Annual General Meeting and is further proposed to be appointed as Independent Director of the Company for a period of five years commencing from his date of appointment.

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of Independence as prescribed both under the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Mr. Narayan Gopalakrishnan ceased to be an Independent Director of the company with effect from December 19, 2015 on account of his sad demise on that date.

Mr. Tribhuvan Simh Rathod, Managing Director, Mr. M. Subba Roa, Chief Financial Officer and Ms. Rekha Singh, Company Secretary are designated as Key Managerial Personnel of the Company pursuant to Section 203 of the Companies Act, 2013.

Board and Committee Meetings

The Board of directors has met four(4) times during the year on a quarterly basis to review and consider the quarterly financials of the Company. Details of the composition of the Board and its Committees and of the meetings held and attendance of the Directors at such Meetings, are provided in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Directors' Responsibility Statement:

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors including audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2015-16.

Accordingly, pursuant to Section 134(3) (c) and 134(5) of the Act, the Board of Directors to the best of their knowledge and ability, confirm that:–

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- ii. they have selected such accounting policies and applied them consistently made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year March 31, 2016 and of the profit or loss of the Company for that period;
- iii. they have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. they had prepared the annual accounts on a going concern basis;
- v. they have laid down the internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;
- vi. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Internal Controls and Systems

The company has an internal control system, commensurate with size and, scale and complexity of its operations.

Vigil Mechanism/Whistle Blower Policy

The Company has adopted a Whistle Blower Policy to provide a mechanism for the Directors and employees to report genuine concerns about any unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The provisions of this policy are in line with the provisions of Section 177 (9) of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015/Listing Agreement.

Significant and Material Orders passed by the Regulators

During the year under review, no significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and future operation of the Company.

Corporate Social Responsibility

The company has incurred loss in the current year and past 3 years also. Even though Corporate Social Responsibility is not mandatory, your Company is intrinsically associated with the society and environment by upholding its businesses with transparency and commitment.

Remuneration Policy

The Company had adopted a Remuneration Policy for the Directors, KMP and other employees, pursuant to the provisions of the Act and Clause 49 of the Listing Agreement.

The key principles governing the Company's Remuneration Policy are as follows:

Remuneration for Independent Directors and Non-Independent Non-Executive Directors

- Independent Directors (ID) and Non-Independent Non-Executive Directors (NINED) may be paid sitting fees for attending the meetings of the Board and of Committees of which they may be members as recommended by the NRC and approved by the Board.
- Overall remuneration should be reasonable and sufficient to attract, retain and motivate Directors aligned to the requirements of the company; taking into consideration the challenges faced by the Company and its future growth imperatives.
- Remuneration paid should be reflective of the size of the Company, complexity of the sector/ industry/ Company's operations and the Company's capacity to pay the remuneration and be consistent with recognized best practices.
- The aggregate commission, if any, payable to all the NEDs and IDs will be recommended by the NRC to the Board based on Company performance, profits, return to investors, shareholder value creation and any other significant qualitative parameters as may be decided by the Board. The NRC will recommend to the Board the quantum of commission for each Director based upon the outcome of the evaluation process which is driven by various factors including attendance and time spent in the Board and Committee Meetings, individual contributions at the meetings and contributions made by Directors other than in meetings.
- The remuneration payable to Directors shall be inclusive of any remuneration payable for services rendered in any other capacity, unless the services rendered are of a professional nature and the NRC is of the opinion that the Director possesses requisite qualification for the practice of the profession.

Remuneration for Managing Director (MD)/ Key Managerial Personnel (KMP)/ rest of the Employees

- The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence remuneration should be market competitive, driven by the role played by the individual, reflective of the size of the Company, complexity of the sector/ industry/ Company's operations and the Company's capacity to pay, consistent with recognized best practices and aligned to any regulatory requirements.

- Basic/ fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience. In addition, the Company provides employees with certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings. The Company provides retirement benefits as applicable.

It is affirmed that the remuneration paid to Directors, KMP and all other employees is as per the Remuneration Policy of the Company.

Evaluation of Board of Directors

The Board of Directors of the Company presently comprises of (8) Non-Executive Directors and one Executive Director viz., the Managing Director. The Directors appointed on the Board are from diverse fields relevant to the Company's business, having long-standing experience and expertise in their respective fields. They have considerable experience in managing large corporates and have been in public life for decades.

Non-Executive Directors add substantial value through the deliberations at the meetings of the Board and Committees thereof. To safeguard the interests of the investors, they also play a control role. In important Committees of the Board such as Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee etc., the Directors play an important role by contributing to the deliberations of the Committee Meetings. Besides contributing at the meetings of the Board and Committees, the Non-Executive Directors also have off-line deliberations with the Management of the Company and add value through such deliberations.

In a separate meeting of Independent Directors, performance of Non-Independent Directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of executive and non-executive directors.

Listing

The Equity Shares of your Company are listed at BSE Limited, Mumbai.

The Listing fees to these Stock Exchanges and custodian fees to NSDL and CDSL have been paid by the Company for the financial year 2015-16.

Auditors

(i) Statutory Auditors:

M/s M.S Krishnaswami & Rajan, Chartered Accountants,(Firm Reg No.01554S), Who are statutory auditors of the company to hold office up to the forth coming Annual General Meeting and are eligible for re-appointment is recommended by the Board for re-appointment as statutory auditors to hold office till conclusion of 31th Annual General Meeting.

Pursuant to the provisions of Sec.139 of the Companies Act, 2013 and the rules framed there-under, the company has obtained written confirmation from M.S Krishnaswami & Rajan, Chartered Accountants, (Firm Reg No.01554S) that their appointment, if made, would be in conformity with limits specified in the said section.

Regarding the Qualifications/Comments of auditors in their report, the directors wish to state:

The Auditors had qualified the financial statements for the year ended March 31,2016 regarding adoption of Going Concern principles in drawing up the financial statements for the said year , non-recognition of possible impairment in value of Building and Plant and Machinery. The issue of negative operating cash flows and incurrence of operating losses over the years highlighted by Auditors are being addressed through proposed restructuring of

operations and merger with another company which is pending approval of BIFR. Under the rehabilitation scheme sanctioned by BIFR in 2002, a reserve of Rs.754.44 Lakhs had been created (upon capital reduction) towards adjustment of identified impairment in value of fixed assets. Steps have been initiated to adjust the impairment in value against the reserve with the approval of BIFR.

(ii) Cost Audit

As per the provisions of Section 148(1) of the Companies Act, 2013, Read with Companies (Cost Records and Audit) Rules 2014, as amended from time to time, the maintenance of cost records and the requirement of audit of cost records accordance with the applicable rules are not applicable to the company.

(iii) Secretarial Audit

Pursuant to the provisions of section 204 of the companies act 2013 and rules made there under the company has appointed M/s A.S. Ramkumar & Associates, a firm of Practicing Company Secretaries (C.P No.9228) to undertake the Secretarial Audit of the company. The secretarial audit report is included as Annexure – B and forms an integral part of this report.

Corporate Governance Report, Management Discussion & Analysis Report

As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the report on Management Discussion & Analysis, Corporate Governance as well as the Auditor's certificate on the compliance of Corporate Governance thereon are attached and form part of the Annual Report.

Conservation of Energy, Technology Transfer and Foreign Exchange Earnings and Outgo

Particulars pursuant to the provisions of section 134(3)(m) of the Act, read with the Companies (Accounts) Rules, 2014 is furnished in the Annexure to this report.

Particulars of Employees & Remuneration

The information required under section 197(12) of the Act, read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is furnished in the Annexure 3 to this report.

The information required under Rule 5 (2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in the Annexure forming part of the Report. In terms of the first proviso to section 136 of the Act, the Report and accounts are being sent to the shareholders excluding the aforesaid Annexure. Any shareholder interested in obtaining the same may write to the Company Secretary at the Registered Office of the Company.

Disclosures as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has zero tolerance for sexual harassment at its workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at the workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder for prevention and redressal of complaints of sexual harassment at workplace.

During the Year under review the company has not received any complaints on sexual harassment.

Extract of Annual return

The details forming part of the extract of the annual return in form MGT-9 as required under section 92 of the companies Act 2013 is included in this Report as Annexure –A and forms as integral part of this Report.

Appreciation

Your director's wish to place on record their appreciation for the contribution made by the employees at all levels but of whose hard work and support your company's achievements would not have been possible. Your directors also wish to thank its customers, dealers, agents, suppliers, investors and bankers and various State and Central Government Agencies. The Directors also take this opportunity to thank the shareholders for their continued confidence reposed in the Management of the company.

By Order of the Board of Directors

Sd/-

Sd/-

Place: Vadodara

Nalinkant Amratlal Rathod

T R Seetharaman

Date: 6th August 2016

(DIN 00272129)

(DIN 02385221)

Chairman

Director

ANNEXURE TO THE DIRECTORS REPORT

Conservation of Energy, Technology Transfer and Foreign Exchange Earnings and outgo

The Information under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 for the year ended March, 31, 2016 is given here below and forms part of the Directors Report.

Conservation of Energy

In line with the Company's Commitment towards conservation of energy the company is putting efforts to conserve energy by means of minimal consumption of power. Total Units of power consumed during the year was 128991 units amounting to Rs.11.83 Lacs (2014:15 117350 units amounting to Rs.55.43 Lacs). During the year there was no production and hence the Gas consumption is Nil (2014:15 Nil)

Technology Absorption:

As there are no productions/operations during the year 2015-16, nothing much happened in the areas of Technology absorption, new product development, cost reduction and quality improvement.

Foreign Exchange Earnings and Outgo:	2015-16	2014-15
	(Rs. in Lakhs)	(Rs. in Lakhs)
Foreign Exchange Earnings	Nil	Nil
Foreign Exchange outgo	Nil	Nil

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

S. No.	Particulars	
1.	Details of contracts or arrangements or transactions not at arm's length basis:	NIL
	(a) Name(s) of the related party and nature of relationship	
	(b) Nature of contracts/arrangements/transactions:	
	(c) Duration of the contracts / arrangements/transactions:	
	(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	
	(e) Justification for entering into such contracts or arrangements or transactions	
	(f) Date(s) of approval by the Board:	
	(g) Amount paid as advances, if any:	
	(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188:	
2.	Details of material contracts or arrangement or transactions at arm's length basis:	Details attached in Annexure
	(a) Name(s) of the related party and nature of relationship:	
	(b) Nature of contracts/arrangements/transactions:	
	(c) Duration of the contracts / arrangements/transactions:	
	(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	
	(e) Date(s) of approval by the Board, if any:	
	(f) Amount paid as advances, if any:	

For and on behalf of the Board of Directors

Place : Vadodra
Date : 06-08-2016

Nalinkant Amratlal Rathod
Chairman
DIN: 00272129

T R Seetharaman
Director
DIN: 02385221

ANNEXURE

S. No.	Name of the Related Party	Nature of Transaction	Duration of Transaction	Salient terms of the transaction including the value, if any	Date of approval by the board, if any
1	Bell Granito Ceramica Limited	Sales	Continual	Rs. 29403426/-	30-05-2015
2	Bell Granito Ceramica Limited	Purchases	Continual	Rs. 74783/-	30-05-2015
3	Bell Granito Ceramica Limited	Others	One Time	Rs. 1233295/-	30-05-2015

For and on behalf of the Board of Directors

Place : Vadodra
Date : 06-08-2016

Nalinkant Amratlal Rathod
Chairman
DIN: 00272129

T R Seetharaman
Director
DIN: 02385221

FORM NO. MGT-9**EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31.03.2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS :

i) CIN	:	L26931TG1986PLC006480
ii) Registration Date	:	26.05.1986
iii) Name of the Company	:	RESTILE CERAMICS LIMITED
iv) Category/Sub-Category of the Company Indian Non Government company	:	Limited by Shares
v) Address of the Registered office and Contact Details	:	Malakapur Village, Hatnoor Mandal, Narsapur Taluk, Medak-502296, Telangana
vi) Whether listed company	:	Yes
vi) Name, Address and Contact details of Registrar and Transfer Agent, if any	:	M/s. Cameo Corporate Services Ltd, Subramanian Building*1, Club House Road, Chennai -600 002.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Virtified Tiles	69079010	100%

III. PARTICULARS OF HOLDING SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary/ Associate	% Of Shares Held	Applicable Section
1	Sologuard Medical Devices(p)ltd	U33119TN1999PTC041980	Associate	Nil	
2	Atreya Finance pvt ltd	U65910KA1996PTC020066	Associate	Nil	
3	Bell Granito Ceramica limited	U18907GJ1993PLC018901	Associate	Nil	

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	Category of Shareholders				No. of Shares held at the beginning of the year				% of Change During the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1) Indian									
Individual/HUF	—	—	—	—	39323	—	393223	0.40	

Category of Shareholders	Category of Shareholders				No. of Shares held at the beginning of the year				% of Change During the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Central Government	—	—	—	—	—	—	—	—	
State Government(s)	—	—	—	—	—	—	—	—	
Bodies Corp.	—	—	—	—	—	—	—	—	
Banks / FI	—	—	—	—	—	—	—	—	
Any Other...	—	—	—	—	—	—	—	—	
Sub-Total (A)(1)	—	—	—	—	39323	—	393223	0.40	
2) Foreign									
NRIs- Individuals	8126383	—	8126383	8.27	812633	—	812633	8.27	
Other – Individuals	—	—	—	—	—	—	—	—	
Bodies Corp.	62596302	—	62596302	63.69	62596302	—	62596302	63.69	
Banks/FI	—	—	—	—	—	—	—	—	
Any Other...	—	—	—	—	—	—	—	—	
Sub-Total (A)(2)	70722685	—	70722685	71.96	70722685	—	70722685	71.96	
Total Shareholding of Promoters (A) = (A1) + (A2)	70722685	—	70722685	71.96	70762008	0	71115908	72.36	
B. Public Shareholding									
1. Institutions	—	—	—	—	—	—	—	—	
Mutual Funds	17500	1800	19300	0.02	17500	1800	19300	0.02	
Central Government	100000	—	100000	0.10	100000	—	100000	0.10	
State Government(s)	—	—	—	—	—	—	—	—	
Venture Capital Funds	—	—	—	—	—	—	—	—	
Insurance Companies	—	—	—	—	—	—	—	—	
FIs	—	—	—	—	—	—	—	—	
Foreign Venture	—	—	—	—	—	—	—	—	
Others (specify)	—	40	40	0.00	—	40	40	0.00	
Sub-total (B)(1)	117500	1840	119340	0.12	117500	1840	119340	0.12	
2. Non-Institutions	—	—	—	—	—	—	—	—	
Bodies Corp.	423535	9281	432816	0.44	540068	9281	549349	0.56	
Indian Overseas	14335631	—	14335631	14.59	14335631	—	14335631	14.59	
Individuals	—	—	—	—	—	—	—	—	
i) Individual shareholders holding nominal share capital upto Rs.1 Lakh	771912	586490	1358402	1.38	502188	594970	1097158	1.12	
ii) Individual shareholders holding nominal share capital in excess of Rs.1 Lakh	6808272	—	6808272	6.93	6738566	0	6738566	6.86	
Others (Specify)	4502093	—	4502093	4.59	4362610	0	4362610	4.45	

Category of Shareholders	Category of Shareholders				No. of Shares held at the beginning of the year				% of Change During the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Sub-total (B)(2)	26841443	595771	27437214	27.93	26439740	604251	27043991	27.52	
Total Public Shareholding (B) = (B)(1) + (B)(2)	26958943	597571	27556514	28.04	26557240	606091	27163331	27.62	
C. Share held by Custodian for GDRs & ADRs	—	—	—	—	—	—	—	—	
Grand Total (A + B + C)	97681628	597611	98279239	100	97319248	606091	98279239	100	

(ii) Shareholding of Promoters

Sl.No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of Change During the Year
		No. of Shares	% of Shares of the Company	% of Shares pledged emcumbred total shares	No. of Shares	% of Shares of the Company	% of Shares pledged emcumbred total shares	
1.	Nalinkant Amratlal Rathod	8126383	8.27	Nil	8126383	8.27	Nil	Nil
2.	Solomed Pte Ltd	62596302	63.69	Nil	62596302	63.69	Nil	Nil
Total		70722685	71.96	Nil	70722685	71.96	Nil	Nil

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	70722685	71.96%	70722685	71.96%
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc);	Nil	Nil	Nil	Nil
3	At the End of the year	70722685	71.96%	70722685	71.96%

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	For Each of the Top 10 Shareholders	LIST ENCLOSED			
2	At the beginning of the year				
3	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)				
4	At the End of the year (or on the date of separation, if separated during the year)				

(v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Nalinkanth Amratlal Rathod At the beginning of the year	8126383	8.27	8126383	8.27
2	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	NA	NA	NA	NA
3	At the End of the year	8126383	8.27	8126383	8.27

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	213933967.09	77679156	-	291613123.09
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	213933967.09	77679156	-	291613123.09
Change in Indebtedness during the financial year				
• Addition		257226390.13	-	257226390.13
• Reduction	(212300021)	-	-	(212300021)
Net Change	(212300021)	257226390.13	-	44926369.13

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the end of the financial year	1633946.09	334905546.13	-	336539492.22
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	1633946.09	334905546.13	-	336539492.22

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Sl. no.	Particulars of Remuneration	Name of MD/ WTD/Manager	Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	TRIBHUVAN SIMH RATHOD	Rs. 30,00,000/-
2.	Stock Option	NIL	
3.	Sweat Equity	NIL	
4.	Commission - as % of profit - others, specify...	NIL NIL	
5.	Others, please specify	NIL	
	Total (A)	NIL	
	Ceiling as per the Act		

B. Remuneration to other directors

Sl. no.	Particulars of Remuneration	Name of Directors	Total Amount
	3. Independent Directors Fee for attending board committee meetings • Commission • Others, please specify	NIL	
	Total (1)		
	4. Other Non-Executive Directors • Fee for attending board committee meetings • Commission • Others, please specify		
	Total (2)		
	Total (B)=(1+2)		
	Total Managerial Remuneration		
	Overall Ceiling as per the Act		

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	180000	180000	360000
2.	Stock Option	NIL	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL	NIL
4.	Commission - as % of profit - others, specify...	NIL	NIL	NIL	NIL
5.	Others, please specify	NIL	NIL	NIL	NIL
	Total	NIL	180000	180000	360000

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RS / NCLT / COURT]	Appeal made, if any (give Details)
COMPANY					
Penalty			NIL		
Punishment			NIL		
Compounding			NIL		
DIRECTORS					
Penalty			NIL		
Punishment			NIL		
Compounding			NIL		
OTHER OFFICERS IN DEFAULT					
Penalty			NIL		
Punishment			NIL		
Compounding			NIL		

For and on behalf of the Board of Directors

Nalinkant Amratlal Rathod
Chairman
00272129

T.R. Seetharaman
Director
02385221

Place: Vadodara
Date : 6th August 2016

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (Contd.)

(iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):
Name of the Company : RESTILE CERAMICS LIMITED

Sl No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year		FOLIO/DP_CL_ID	PAN	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company			
1	SPRINGBOARD PACIFIC ENTERPRISE INC							
		At the beginning of the year 01-Apr-2015	14335631	14.5866	14335631	14.5866	'IN30102221382023	AAKCS8880P
	At the end of the Year 31-Mar-2016	14335631	14.5866	14335631	14.5866			
2	RUDRAPATNA GUNDURAMIAH NARAYANASWAMY							
		At the beginning of the year 01-Apr-2015	5986704	6.0915	5986704	6.0915	'IN30045013667688	ADAPN4906H
		Sale 31-Dec-2015	-500000	0.5087	5486704	5.5827		
		At the end of the Year 31-Mar-2016	5486704	5.5827	5486704	5.5827		
3	SRI JAYA INCORPORATED							
		At the beginning of the year 01-Apr-2015	1909750	1.9431	1909750	1.9431	'IN30102221370305	AAKCS7794J
		At the end of the Year 31-Mar-2016	1909750	1.9431	1909750	1.9431		
4	SARASWATHI KUPPUSWAMI							
		At the beginning of the year 01-Apr-2015	1038700	1.0568	1038700	1.0568	'IN30102221369565	AUGPK8083M
		At the end of the Year 31-Mar-2016	1038700	1.0568	1038700	1.0568		
5	HARIHARAN SUNDARESAN							
		At the beginning of the year 01-Apr-2015	661134	0.6727	661134	0.6727	'IN30102221388160	AARPS9722N
		At the end of the Year 31-Mar-2016	661134	0.6727	661134	0.6727		

SI No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year		FOLIO/DP_CL_ID	PAN
		No of shares	% of total shares of the company	No of shares	% of total shares of the company		
6	MAMTA SINGH						
	At the beginning of the year 01-Apr-2015	659990	0.6715	659990	0.6715	'IN30102221370039	BKYP57329R
	At the end of the Year 31-Mar-2016	659990	0.6715	659990	0.6715		
7	JAVERI FISCAL SERVICES LTD						
	At the beginning of the year 01-Apr-2015	260119	0.2646	260119	0.2646	'12032900000000181	AAACJ2577L
	Purchase 10-Apr-2015	355	0.0003	260474	0.2650		
	Purchase 17-Apr-2015	4526	0.0046	265000	0.2696		
	Sale 22-May-2015	-7500	0.0076	257500	0.2620		
	Sale 05-Jun-2015	-3945	0.0040	253555	0.2579		
	Purchase 17-Jul-2015	60	0.0000	253615	0.2580		
	Sale 14-Aug-2015	-19791	0.0201	233824	0.2379		
	Sale 21-Aug-2015	-16831	0.0171	216993	0.2207		
	Sale 04-Sep-2015	-1602	0.0016	215391	0.2191		
	Sale 11-Sep-2015	-1000	0.0010	214391	0.2181		
	Sale 30-Sep-2015	-14391	0.0146	200000	0.2035		
	Purchase 16-Oct-2015	1000	0.0010	201000	0.2045		
Purchase 23-Oct-2015	300	0.0003	201300	0.2048			
Sale 30-Oct-2015	-1300	0.0013	200000	0.2035			
Sale 27-Nov-2015	-10037	0.0102	189963	0.1932			
Purchase 04-Dec-2015	10037	0.0102	200000	0.2035			
Sale 01-Jan-2016	-10000	0.0101	190000	0.1933			
Sale 08-Jan-2016	-30000	0.0305	160000	0.1628			
Sale 22-Jan-2016	-21706	0.0220	138294	0.1407			
Sale 05-Feb-2016	-7631	0.0077	130663	0.1329			

SI No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year		FOLIO/DP_CL_ID	PAN
		No of shares	% of total shares of the company	No of shares	% of total shares of the company		
	Sale 12-Feb-2016	-54533	0.0554	76130	0.0774		
	Sale 19-Feb-2016	-12859	0.0130	63271	0.0643		
	Sale 26-Feb-2016	-30940	0.0314	32331	0.0328		
	Sale 04-Mar-2016	-32331	0.0328	0	0.0000		
	At the end of the Year 31-Mar-2016	0	0.0000	0	0.0000		
8	RADHA VALLURY						
	At the beginning of the year 01-Apr-2015	215697	0.2194	215697	0.2194	'IN30047642700374	AAVPV8282C
	At the end of the Year 31-Mar-2016	215697	0.2194	215697	0.2194		
9	PADMAKAR VALLURY						
	At the beginning of the year 01-Apr-2015	177526	0.1806	177526	0.1806	'IN30047642700412	AANPV3403D
	At the end of the Year 31-Mar-2016	177526	0.1806	177526	0.1806		
10	USHA NANDAAKUMAR						
	At the beginning of the year 01-Apr-2015	112262	0.1142	112262	0.1142	'1201090001710464	ABUPN0948F
	At the end of the Year 31-Mar-2016	112262	0.1142	112262	0.1142		
	NEW TOP 10 AS ON (31-Mar-2016)						
11	SAVITRI N SWAMY						
	At the beginning of the year 01-Apr-2015	135	0.0001	135	0.0001	'IN30051319899825	APKPS3571B
	Purchase 31-Dec-2015	476094	0.4844	476229	0.4845		
	Sale 01-Jan-2016	-2003	0.0020	474226	0.4825		
	Sale 15-Jan-2016	-11501	0.0117	462725	0.4708		
	At the end of the Year 31-Mar-2016	462725	0.4708	462725	0.4708		

ANNEXURE -B

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED March 2016
[Pursuant to section 204(1) of the Companies Act, 2013 and rule
No. 9 of the Companies (Appointment and Remuneration Personnel)
Rules, 2014]

SECRETARIAL AUDIT REPORT OF M/S. RESTILE CERAMICS LIMITED
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2016

To,
The Members,
Restile Ceramics Limited
Malkapur Village, Hatnoora Mandal
Narsapur Taluk, Medak District – 500 082

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Restile Ceramics Limited**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the M/s. Restile Ceramics Limited books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **01st April 2015 to 31st March 2016** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by M/s. Restile Ceramics Limited for the financial year ended on 01st April 2015 to 31st March 2016 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (During the FY 2015-2016 not applicable to the company)

- d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (During the FY 2015-2016 not applicable to the company)
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (During the FY 2015-2016 not applicable to the company)
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (During the FY 2015-2016 not applicable to the company)
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (During the FY 2015-2016 not applicable to the company) and
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (During the FY 2015-2016 not applicable to the company)
- vi. Further, we have also examined compliance with the applicable clauses of the following:
- i. Secretarial Standards issued by The Institute of Company Secretaries of India., with respect to Board and General Meetings.
 - ii. The Listing Agreements entered into by the Company with The Bombay Stock Exchange Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreements, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 etc. as mentioned above.
- vii. We further report that the Company has, in our opinion, complied with the provisions of the Companies Act, 2013 and the Rules made thereunder as notified by Ministry of Corporate Affairs and the Memorandum and Articles of Association of the Company.

We further report that:-

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meetings were taken unanimously.

We further report that during the audit period the Company does not have any major events / actions which either directly or indirectly effect the Company's affair in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

The audit on other laws as may be applicable specifically to the Company is carried out based on the reports provided to us. We report that the Company has substantially complied with the provisions of those Acts that are

applicable to Companies having factories with manufacture of Vitrified tiles; other laws related to maintenance of Factories, laws related to Human resources including Employees Provident Fund Act, Employees State Insurance Act. Based on the information, explanations and management representation, the Company has substantially complied with the Tax laws and other Acts & laws applicable to the Company.

Place: Hyderabad
Date: 06.08.2016

For A S RAMKUMAR & ASSOCIATES
Company Secretaries

A S RAMKUMAR
Partner
FCS 8149, CP.9228

This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this Report

ANNEXURE A

To
The Members of
Restile Ceramics Limited

Our Report of Even date is to be read along with this letter

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Hyderabad
Date: 06.08.2016

For A S RAMKUMAR & ASSOCIATES
Company Secretaries

A S RAMKUMAR
Partner
FCS 8149, CP.9228

ANNEXURE TO THE DIRECTOR'S REPORT

As per the last GDP growth estimates, there is growth in Indian economy in the Financial Year 2015-16 compared to Financial Year 2014- 2015. Reduced inflation, stable Rupee, improved purchasing power and higher capital inflows supported by the government policy reforms have already put India on an accelerating growth track and improved the business outlook.

MANAGEMENT DISCUSSION AND ANALYSIS OF OPERATING RESULTS AND FINANCIAL PERFORMANCE

1. The paid up equity share capital as at March31, 2016 stood at 98.27crore. During the year under review, the company has not issued shares with differential voting rights nor has granted any stock options or sweat equity. As on March 31, 2016 none of the directors of the company hold instruments convertible into equity shares of the company.
2. Net Revenue from operations during the year was Rs.316.45 lacs as against Rs.261.58 Lacs during the previous year. During the year there was no production and the revenue was generated out of sale of materials from Stock.
3. On the Expenditure part, there has been decrease in total expenditure compared to previous year. The Following tabular statement depicts the increase/ (decrease) of various types of expenditure

(Rs.in Lakhs)				
Sl.No	Nature of Expenditure	2015-16	2014-15	Increase/ (Decrease)
1.	Raw Material Consumption (including Movement in Finished Goods Stock)	320.04	204.61	115.43
2.	Employee Expenses	71.23	108.74	(37.51)
3.	Power and fuel	12.12	55.43	(43.31)
4.	Finance Costs	26.86	95.73	(68.87)
5.	Other Expenses	128.34	104.96	23.38
6.	Depreciation and amortization	785.35	821.60	(36.25)
	Total	1343.94	1391.08	(47.14)

It is clear from the above statement that all the expenditure except other expenditure shows a decreasing trend compared to previous year. The Increase in Raw Material Consumption (including movement in finished goods) is due to the liquidation of Stock of Raw Materials and Finished Goods that has resulted in increased sales revenue for the year.

1. Internal Controls and systems are reviewed periodically and corrective actions are taken upon requirement.
2. Opportunities and challenges: No Production during the year. During the year major portion of old materials which were lying in stock for long period were sold.
3. Threats: Since the vitrified market enjoys consistent growth and assured returns, companies in the organized and unorganized sector are expected to come up with latest technology, which may result in pressure on the realizations. However, the uniqueness of the products will help us in garnering the Project and Industrial sector which help in overcoming the competition

4. Risks and Concerns:

The company specific risks remain by and large the same as enumerated last year. The Company is consuming LPG which is a petroleum product for firing the tiles. The prices of petroleum products depend upon international market and subject to volatility. Some of the competitors who have the facilities of natural gas, tax incentives etc. are dominating the market. There may be a threat from some of the larger capacity players, who have varied range of products, effects and colors to dominate market presence.

5. Human Resource & Industrial Relations:

Majority of Employees were settled in the previous year. The relationship with the balance employees has been fairly cordial.

6. Cautionary statement:

Statements in this Directors report & management discussion and Analysis describing the company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could impact are raw material availability and its prices, cyclical demand and pricing in the company's principle market, changes in government regulations, tax regimes, economic developments within India and countries in which the company conducts business.

REPORT ON CORPORATE GOVERNANCE

Philosophy on Corporate Governance

Corporate Governance has been in existence in your Company since its inception, before it was mandated. The principles of Corporate Governance are embedded as a fundamental principle of businesses. The Corporate Governance framework of the Company is to manage the affairs in a fair and transparent manner, which has assisted in evolving guidelines and best practices over the years to ensure adequate disclosure of information.

The Company has complied with the requirements of Corporate Governance as mandated by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Clause 49 of the erstwhile Listing Agreement executed with the Stock Exchanges) ('Listing Regulations') as detailed below for the year ended March 31, 2016:

Board of Directors:-

1. The Board of Directors of the company shall have optimum combination of Executive and Non- Executive directors. As on 31st March 2016, the Company has Eight (8) Directors with a Non-Executive chairman. Of the Eight Directors, Seven (7) are Non-Executive Directors with four (4) of them being Independent Directors, one (1) Nominee Director and one (1) Women Director. The Non-Executive Directors possess rich and varied experience in different facets of corporate functioning. The Company under the Board of Directors along with the Committees, provides leadership, guidance to the Management, directs and supervises the performance of the Company thereby enhancing stakeholders value. The Board has fiduciary relationship in ensuring that the rights of all stakeholders are protected. The Company with the help of expertise and knowledge of the Directors has optimized its value in the business. The details of Directors seeking re-appointment are furnished in the Notice of the Annual General Meeting.
2. "Independent Directors" of the Company have been appointed as per the provision of the Companies Act, 2013 and the Governance Guidelines for Board effectiveness as adopted by the Company. Directors who apart from receiving Director's remuneration, do not have any material pecuniary relationships or transactions with the Company, its Promoters, its Directors, its Senior Management or its holding company, its subsidiaries and associates, which may affect the independence of the Director. Formal appointment letters have been issue to the Independent Directors.
3. The Directors made necessary disclosures with regard to committee positions across all the Companies in which he/she is a Director as per the Regulation 26 of the Listing Regulations.
4. None of the Directors of the Board serve as members of more than 10 committees nor Chairman of more than 5 Committees, as per the requirements of the Listing Regulations. "Committees" for this purpose include the Audit Committee and the Stakeholder's Relationship Committee and the details of the same forms part of this report.
5. Pursuant to Regulation 25(1) of the Listing Regulations all the Directors are in compliance with the limit prescribed to hold Independent Directorship in the listed companies.
6. During the year under review, the Board of Directors of the Company met four times and the period between any two meetings did not exceed 120 days. The dates of the Board Meetings held during each quarter are as follows:

Date of Meetings	Total no. of Directors	No. of Directors present
30 th May, 2015	9	7
24 th July, 2015	9	7
31 st Oct, 2015	9	8
08 th Feb, 2016	8	6

7. Independent Directors of the Company separately met once on February 08, 2016 as required under Schedule IV to the Companies Act, 2013 (Code for Independent Directors) and Regulation 25(3) of the Listing Regulations. None of the Non Independent Directors and members of the Management were present at the meeting.
8. Independent Directors at their meeting reviewed/assessed the following
 - a) Reviewed the performance of Non Independent Directors and the Board as a whole;
 - b) Reviewed the performance of the Chairman of the Company, taking into consideration of the views of Managing Director and Non-Executive Directors; and
 - c) Assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform its duties.
9. All Independent Directors were present at the meeting of Independent Directors and Mr. N.S. Mani, Independent Director, Chaired the meeting.
10. The Independent Directors are already familiar with the nature of the Industry, and business model of the Company, considering their expertise contribution no familiarization program was organised during the year.
11. All the relevant information, as recommended by the Securities and Exchange Board of India (SEBI)/ Stock Exchanges, is being furnished to the Board from time to time.
12. The details of remuneration sitting fees paid to the directors are being furnished in this report
13. The Company has adopted a Code of Conduct for its Non-Executive Directors and all Non-Executive Directors have affirmed compliance with the said Code for the financial year ended March 31, 2016.
14. All Board Members and senior management personnel, pursuant to Regulation 26(3) of the Listing Regulation have affirmed compliance with the applicable code of conduct. The Annual Report of the Company contains a Certificate duly signed by the Managing Director in this regard.
15. Other than the transactions entered into in the normal course of business, no materially significant related party transactions entered by the Company during the year, which could have potential conflict of interest between the Company and its Promoters, Directors, Management and/or relatives. The Company has adopted Policy for Related Party transactions.
16. Due to changes in directorship during the financial year the Company was required to appoint an Independent Director to comply with Regulation 17 of the Listing Regulations. Mr. T S Seetaraman, (Din: 02385221) and Mr. G. Padmanabhan (Din 00101432), Non-Executive Directors of Company were appointed as Independent Director of the Company on February 08th, 2016, and Mr. Kaushik D Shah (DIN. 00024305) was appointed an Independent Director with effect from May 21, 2016.

Name of Director	DIN No	Category	No of Meetings Attended						Other Companies					
			Board Meeting	Audit Committee	Shareholders Relationship and Share Transfer Committee	Nomination and Remuneration Committee	Whether Attended AGM on Sept 19, 2015	Indian	Foreign	Director Ship	Indian	Foreign	Committee Membership	Foreign
NALINKANT AMPRATLAL RATHOD	00272129	NP	4	-	-	-	-	3	-	-	-	-	-	-
TRIBHUVAN SIMH RATHOD	01996833	MD	4	-	-	-	Yes	2	1	-	-	-	-	-
Bharathi NALIN RATHOD	02587701	NN	2	-	-	-	-	3	-	-	-	-	-	-
NALANDULA SRINIVASA RAO RAMACHANDRAN	00089348	NI	4	4	15	-	Yes	1	1	-	-	-	-	-
GOPALACHARI PADMANABHAN	00101432	NI	3	3	15	-	-	1	1	-	-	-	-	-
TENKASI RAMANARAYANAN SEETHARAMAN	02385221	NI	4	4	15	-	-	1	1	-	-	-	-	-
NARAYANAN SUBRAMANIAN	02577983	NI	4	4	-	-	-	2	2	-	-	-	-	-
N GOPALAKRISHNAN ¹	03015270	NI	3	3	-	-	Yes	1	1	-	-	-	-	-
RAJENDRA PRASAD KANDIKATTU	00143653	NNo	NO INFORMATION RECEIVED AS NO MEETING ATTENDED											

NP:- Non- Executive-Promoter
 NI:- Non Executive - Independent
 NNo:- Non Executive - Nominee

NN:- Non- Executive- Non Independent
 MD:- Managing Director

1 Mr. N. Gopalakrishnan Ceased to be a director of the company on account of his demise on December 19,2015.

Composition of Committees Membership as on March 31,2016:-

Name of Director	DIN No	Name of Committees of Board		
		Audit Committee	Nomination and Remuneration Committee	Shareholders Relationship and Share Transfer Committee
Nalinkant Amratlal Rathod	00272129	-	-	-
Tribhuvan Simh Rathod	01996833	M	-	-
Bharathi Nalin Rathod	02587701	-	-	-
Nalandula Srinivasa Rao Ramachandran	00089348	M	C	C
Gopalachari Padmanabhan	00101432	M	-	M
Tenkasi Ramanarayanan Seetharaman	02385221	C	-	M
Narayanan Subramanian	02577983	M	M	-
N Gopalakrishnan ¹	03015270	M	M	-
Rajendra Prasad Kandikattu	00143653	-	-	-
C:- Chairman M:- Member				
1 Mr. N. Gopalakrishnan Ceased to be a director of the company on account of his demise on December 19,2015.				

The Mandatory Committees of the Company constituted by the Board are as hereunder inter alia includes the following:-

1. Audit Committee:

The Company's Audit Committee comprises of Independent Directors and Non Independent Directors. Each Member of the Committee has relevant experience in the field of finance and accounting.

Powers of Audit Committee:

The powers of audit committee shall include the following:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it consider necessary.

Terms of reference of Audit Committee:

The terms of reference of Audit Committee inter alia are as follows:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, remuneration and terms of appointment of auditors of the Company.
3. Approval of payment to statutory auditor(s) for any other services rendered by them.

4. Reviewing; with management, the annual financial statements before submission to the Board for its approval with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (C) of sub-section 3 of section 134 of the Companies Act, 2013.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by management, if any.
 - d. Significant adjustments made in the financial statements arising out of audit findings, if any.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of related party transactions, if any.
 - g. Qualifications in the (draft) audit report, if any.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing; with management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for the purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing with management, performance of statutory and internal auditors, adequacy of the internal control systems.
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
14. Discussion with internal auditors for any significant findings and follow up there on.
15. Reviewing the findings by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
16. Discussion with statutory auditor(s) before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividend(s) and creditors.
18. To review the functioning of the Whistle Blower mechanism.

19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
20. Carrying out any other functions as mentioned in the terms of reference of the Audit Committee.

Review of information by Audit Committee

The Audit Committee reviewed the following information:

1. Management discussion and analysis of financial conditions and results of operations;
2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review of the Audit Committee;

The Committee met four times during the period under review. Audit Committee meetings were attended by the Internal Auditors and the Statutory Auditors. The Company Secretary acts as the Secretary to the Audit Committee. The Chairman of the Audit Committee was present at the last Annual General Meeting.

Shareholders Relationship and Share Transfer Committee:-

The Stakeholders Relationship Committee's term of reference includes the following

- a. Consider and resolve grievances of all classes of investors of the company;
- b. Review statutory compliance relating to stakeholders.
- c. Ensure setting of proper controls and oversee the performance of Registrar and Share Transfer Agent;
- d. Look into the redressing of the shareholders complaints and queries;
- e. Review movement in shareholdings and ownership structure of the Company;
- f. Overseas compliance in respect of dividend payment and transfer of unclaimed dividend amount to IEPF.
- g. Consider and resolve grievances of stakeholders including compliance related to transfer of securities, non-receipt of Annual Report / Dividend Warrant etc.

Share transfers are processed weekly and approved by the Share Transfer Committee. Investor grievances are also placed before the Committee. The Committee met on March 31, 2016 to review the various matters related to the Stakeholders during the year under review. There were no pending investor complaints which remained unresolved.

The Company has also cleared complaints received through SEBI Complaints Redress System (SCORES). The Company also uploads its Action Taken Reports (ATRs) with respect to the complaints; enable online viewing by investors about the current status. All valid share transfers lodged up to March 31, 2016, have been processed by the Committee. During the Year the Company received two complaints from shareholders which were resolved in prescribed time limits.

Nomination and Remuneration Committee:

The Committee consists of 3 members of which 3 are independent directors. The terms of reference of the Committee include inter-alia the following:-

- a. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
- b. Formulation of criteria for evaluation of Independent Directors and the Board;
- c. Devising a policy on Board diversity;
- d. Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company disclosed the remuneration policy and the evaluation criteria in its Annual Report.

As there was no change or appointment of Managing director or Key Managerial Personnel during the year the committee did not have any meeting.

Remuneration of the Managing Director:

The remuneration paid during the financial year 2015 – 2016 to the Managing Director is furnished hereunder:

Particulars	Mr. Tribhuvan Simh Rathod
Salary, Incentive and perquisites	30,00,000.00
Contribution to Provident and Gratuity Fund	21,600
Performance Incentive Payable	NIL
Shares held as on March 31, 2016.	NIL

The Company does not have any stock option schemes for its employees/directors.

Sitting fee (remuneration) paid to Non-Executive Directors during the financial year 2015-16 and the details of shareheld by them as on March 31, 2016 are as under:

Name of Director	Amount	No of Shares Held
Nalandula Srinivasa Rao Ramachandran	40000	NIL
Gopalachari Padmanabhan	30000	NIL
Tenkasi Ramanarayanan Seetharaman	48000	NIL
Narayanan Subramanian	48000	NIL
N Gopalakrishnan ¹	30000	NIL
Rajendra Prasad Kandikattu	NIL	NIL

General Body Meetings:

Location, date and time of the Annual General Meetings held during the last 3 years are given below:

Year	Location	Date of AGM	Day	Time
2013	Registered Office the Company at MalkapurVillage,Hatnoora Mandal, Narsapur Taluq, Medak Dist, A.P	August,10,2013	Saturday	12.00 P.M
2014	Registered Office the Company at MalkapurVillage,Hatnoora Mandal, Narsapur Taluq, Medak Dist, A.P	September 29, 2014	Saturday	11.30 A.M
2015	Registered Office the Company at MalkapurVillage,Hatnoora Mandal, Narsapur Taluq, Medak Dist, A.P	September, 19, 2015	Saturday	11.30 A.M

The Chairman of the Audit Committee was present at all the above AGMs.

No EGM was held in the last three years except .i.e. on 28rd March 2014.

Special Resolutions have been passed in the previous three Annual General Meetings held in 2013, 2014 and 2015.

For the year 2015-16, no postal ballot was conducted.

Compliance with Non-Mandatory Requirements:

- The Board:** A separate Office is not maintained for the Non-Executive Chairman of the Company. The Composition of the Board of Directors, Committees of the Board are in line with the provisions of the Listing Agreement, the Companies Act, 2013 and other applicable laws.
- Shareholders' Rights:** The Financial performance of the Company on quarterly basis including a summary of significant events are published in English and Local Telugu Newspaper. Hence, this information's are not sent to each household of shareholders individually.
- Audit Qualifications:** The Company endeavors to adopt best practices to ensure regime of unqualified financial statements.

General Shareholder Information

Corporate Identification Number	L26931TG1986PLC006480
Registered Office	Malkapur Village, Hatnoora Mandal, Narsapur Taluk, Medak District-502 296, Telangana
Name, Contact Details of Compliance Officer	N.Srinivasan Malkapur Village, Hatnoora Mandal, Narsapur Taluk, Medak District-502 296, Telangana Email: restile@accountscare.com

Corporate Identification Number	L26931TG1986PLC006480
Registrar and Share Transfer Agent	M/s. Cameo Corporate Services Ltd, Subramanian Building”1, Club House Road, Chennai 600 002. Telephone No: 044-28460390
Date, Time and Venue of AGM	24 September, 2016 At Registered office at Malkapur Village, Hatnoora Mandal, Narsapur Taluk, Medak District-502 296, Telanagana
Financial Calendar	
Financial Year	1 st April-31 st March
Financial Report For	
Quarter Ending 30 th June	On or Before August 15 th
Quarter Ending 30 th September	On or Before November 15 th
Quarter Ending 31 st December	On or Before February 15 th
Quarter Ending 31 st March	On or Before May 30 th
Cut-off for e-Voting	16 September 2016
E-Voting Window Dates	20 September 2016 9:00 AM to 23 September 2016 5:00 PM
Date of Book Closure	17 September 2016 to 24 September 2016
Equity Shares	
Stock Exchange	Stock Code
BSE Limited	515085
ISIN No.	INE298E01022

The company has paid annual listing fees to the Stock Exchanges in respect of financial year 2016-2017.

Market Price Data: High Low during each month in the last financial year

Month	Highest (Rs.)	Lowest (Rs.)	Month	Highest (Rs.)	Lowest (Rs.)
April '15	6.05	3.65	October'15	7.86	5.64
May'15	6.28	4.25	November'15	7.39	5.03
June'15	6.00	4.13	December'15	10.44	6.22
July'15	5.10	3.72	January'16	9.98	6.09
August'15	7.36	4.05	February'16	8.00	3.80
September'15	6.96	4.30	March'16	4.91	3.83

Shareholding Pattern as on March 31, 2016

SI No	Category	No. Of shares	% of shareholding
1	Promoters	70722685	71.96
2	Mutual funds and UTI	19300	0.02
3	Banks, Financial Institution, Insurance companies	40	0.00
4	Private Corporate Bodies	532816	0.54
5	Indian Public	8337032	8.49
6	NRIs/OCBs	16757512	17.05
7	Clearing Members	104	0.00
8	Foreign Bodies	1909750	1.94
	Total	98279239	100.00

List of Persons holding more than 1% of total number of shares as on March 31, 2016

SI No	Name of Shareholders	No. of Shares	% of Share Capital
A. Promoters & Promoter Group			
1.	Solomed Capital Pte. Ltd	62596302	63.6922
2.	Nalinkant Amratlal Rathod	8126383	8.2685
B. Public			
1.	Springboard Pacific Enterprise Inc.	14335631	14.5866
2.	Rudrapatna Gunduramiah Narayanaswamy	5486704	5.5827
3.	Sri Jaya Incorporated	1909750	1.9431
4.	Saraswathi Kuppuswami	1038700	1.0568

Distribution Schedule of Share Holding as on March 31, 2016

Holding of number of Shares or Debentures	Share/Debenture (Holders)		Shares/Debentures (Amount)	
	Number	%	Rs.	%
1 - 5000	23128	98.0041	7823990	0.7960
5001 - 10000	187	0.7924	1508140	0.1534
10001 - 20000	110	0.4666	1699160	0.1728
20001 - 30000	40	0.1694	996450	0.1013
30001 - 40000	26	0.1101	917850	0.0933
40001 - 50000	29	0.1228	1374210	0.1398
50001 - 100000	35	0.1483	2393680	0.2435
100001 - Above	44	0.1864	966078910	98.2993
Total	23599	100.000	982792390	100.000

Reconciliation of Share Capital Audit

Keeping in view the requirements of SEBI and Stock Exchange, a qualified Practicing Company Secretary carried out Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital.

The Reconciliation of Share Capital Audit Report placed before the Board of Directors on a quarterly basis is also sent to the Stock Exchanges where the company's shares are listed confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares with NSDL and CDSL.

Dematerialization of Shares & Liquidity

At the end of March 31, 2016, shares comprising approximately 99.40% of the Company's Equity Share Capital have been dematerialized.

Status on Dematerialised Shares (Equity ISIN No INE298E01022)

Mode	No of Shares	% to paid up Capital
Physical	595211	0.6057
NSDL/CDSL	97684028	99.3943
	98277399	100.00

Investor Correspondence

For any queries, investors are requested to get in touch with the Secretarial department at At Registered office at Malakpur Village, Hatnoora Mandal, Narsapur Taluk, Medak District-502 296, Telanagana, restile@accountscare.com is available for investor complaints.

Usage of electronic payment modes of making cash payments to the investors

SEBI vide its Circular No. CIR / MRD/DP/10/2013 dated March 21, 2013 has instructed all Companies for making cash payments to the investors, companies whose securities are listed on Stock Exchange shall use, either directly or through their RTI & STA, any RBI (Reserve Bank of India) approved electronic mode of payment such as ECS (Local ECS) / RECS (Regional ECS) / NECS (National ECS), NEFT etc.

Investors are requested to kindly provide their requisite bank account particulars by quoting their reference folio number (s) in case shares are held in physical form.

In case shares are held in dematerialized form, investors may kindly provide the requisite bank account details to their Depository Participant, to ensure that future dividend payments are correctly credited to the respective account.

Location of Manufacturing Units of Company

Malkapur Village,
Hatnoora Mandal, Narsapur Taluk,
Medak District-502 296,
Telangana

**DECLARATION BY THE MANAGING DIRECTOR UNDER PARA D OF SCHEDULE V OF SEBI
(LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS,
2015 REGARDING ADHERENCE TO THE CODE OF CONDUCT**

In accordance with para D of Schedule V of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance with their respective Codes of Conduct, as applicable to them, for the financial year ended March 31, 2016.

For RESTILE CERAMICS LIMITED

Place: Vadodara
Date: 6th August 2016

Tribhuvan Simh Rathod
Managing Director

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF RESTILE CERAMICS LIMITED

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of **RESTILE CERAMICS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act as applicable.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143(11) of the Act.

4. We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Basis for Qualified Opinion

7. The Company has generated negative operating cash flows, incurred substantial operating losses, significant deterioration in value of assets used to generate cash flows and its loans from bank have been recalled by

lender all of which indicate existence of material uncertainty in the Company's ability to continue as a going concern for a reasonable period of time. The attached financial statements do not include any adjustments that might result had the above uncertainties been known.

8. The Company's building and plant and equipment are carried in the Balance Sheet at Rs.849.21 lakhs and Rs.3948.89 lakhs respectively. Independent valuation of the assets of the company in financial year 2010-11 had indicated impairment of Building (Rs.522.17 lakhs) and Plant and Machinery (Rs.119.87 lakhs). However, considering the lapse of time and the depreciation being charged on the basis of estimated useful life of assets, the aforesaid impairment in value of assets need to be recomputed. As such, the possible impairment on assets and its effect on statement of Profit & Loss is to be taken as unascertained as on March 31, 2016.

Opinion

9. In our opinion and to the best of our information and according to the explanations given to us, *except for the effect of the matters described in the Basis for qualified opinion paragraph*, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

10. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, *except for the effect of the matters described in the Basis for qualified opinion in paragraph 8*, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act as applicable.
 - e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The company has, in accordance with the generally accepted accounting practice, disclosed the impact of pending litigations on its financial position in its financial statements - Also Refer Note 28.01 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses under the applicable law or accounting standards.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

11. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For M.S. Krishnaswami & Rajan

Chartered Accountants
Registration No. 01554S
May 21, 2016,
Chennai

M.S. Murali

Partner
Membership No. 26453

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 10(g) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. We have audited the internal financial controls over financial reporting of **RESTILE CERAMICS LIMITED** ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

8. According to the information and explanations given to us and based on our audit, the following material weakness has been identified as at March 31, 2016:

The Company's building and plant and equipment are carried in the Balance Sheet at Rs.849.21 lakhs and Rs.3948.89 lakhs respectively. Independent valuation of the assets of the company in financial year 2010-11 had indicated impairment of Building (Rs.522.17 lakhs) and Plant and Machinery (Rs.119.87 lakhs). However, considering the lapse of time and the depreciation being charged on the basis of estimated useful life of assets, the aforesaid impairment in value of assets need to be recomputed. The Company's internal control system has to be redesigned to periodically assess and recognise impairment in value of fixed assets.

9. A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.
10. In our opinion and to the best of our information and according to the explanations given to us, except for the effects/possible effects of the material weakness described in paragraph 8 above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.
11. We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company for the year ended

March 31, 2016, and the said material weakness has affected our opinion on the financial statements of the Company and we have accordingly, issued a qualified opinion on the financial statements of the Company for the year ended March 31, 2016.

For M.S. Krishnaswami & Rajan

Chartered Accountants
Registration No. 01554S
May 21, 2016
Chennai

M.S. Murali

Partner
Membership No. 26453

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 11 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date on the accounts of RESTILE CERAMICS LIMITED ("the Company") for the year ended March 31, 2016)

- (i) In respect of its fixed assets:
- (a) The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets. *The same, however, needs to be updated.*
 - (b) The fixed assets are being physically verified under a phased programme of verification, which, in our opinion, is reasonable having regard to the nature and value of its assets, and no material discrepancies have been noticed on such verification carried out during the year in terms of the phased programme.
 - (c) On the basis of documents of title produced to us and the information and explanations produced to us, we are of the opinion that the title deeds of immovable properties of the Company are held in its name.
- (ii) The inventories have been physically verified at the year- end by the Internal Auditor and no material discrepancies have been reported that needs to be dealt with in the Books of Account.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013
- (iv) The Company has not granted any loans, made investments, provided guarantees and security covered under provisions of section 185 and 186 of the Companies Act, 2013.
- (v) According to information and explanations given to us, the Company has not accepted any deposits during the year and accordingly, the provisions of Clause 5 of paragraph 3 of the Order are not applicable to the Company.
- (vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the products of the Company.
- (vii) According to the information and explanations given to us and the books of account examined by us, in respect of statutory dues:
- (a) Delays were noticed in depositing undisputed statutory dues including provident fund, employee's state insurance, income tax, sales tax, value added tax and other statutory dues with the appropriate authorities during the year. The arrears of such dues outstanding as at March 31, 2016 for a period of more than six months from the date they became payable are:

Nature of Dues	Amount (Rs. Lakhs)
Sales Tax	15.32
Property Tax	2.50
Professional Tax	0.19

We are informed that the delays were caused due to financial constraints.

- (b) There are no dues of income tax, service tax, excise duty, cess and customs duty, which have not been deposited on account of any dispute. Sales Tax/ Value added tax dues not deposited on account of dispute are as under

Name of the Statute	Nature of Dues	Forum where Dispute is Pending	Year to which the demand relates	Amount of Tax Demanded (Rs.Lakhs)
Sales Tax	APVAT	Dy. Commissioner (Appeals)	2010-2011	Tax – Rs.30,23,024 Paid – Rs.3,78,000 Balance Rs.26,45,024
Sales Tax	APVAT	Dy. Commissioner (Appeals)	2011-2012	Tax – Rs.4,19,876 Penalty – Rs.41,988 Paid Rs.52,500 Balance – Rs.4,10,364

- (viii) As per information and explanation given to us, the bank has called upon in the earlier year itself the Company to pay back the entire working capital loan. The balance of Rs. 408.51 lakhs on April 1, 2015 was overdue to State Bank of India and the amount overdue as at the end of the year is Rs. 16.34 lakhs. There are no dues to financial institutions or debenture holders.
- (ix) There are no monies raised during the year by way of public offer or further public offer (including debt instruments) and term loans.
- (x) To the best of our knowledge and belief, and according to the information and explanations given to us, and considering the size and nature of the Company's operations, no fraud by the Company and no fraud of material significance on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of Paragraph 3 of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us the Company has complied with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of paragraph 3 of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions during the year with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For M.S.Krishnaswami & Rajan

Chartered Accountants
Firm Regn No: 01554S
Place: Chennai
Date: May 21, 2016

M.S.Murali

Partner
Membership No: 26453

BALANCE SHEET AS AT 31ST MARCH, 2016

Particulars	Note	As at 31st March, 2016	As at 31st March, 2015
		Rs.in lakhs	Rs.in lakhs
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	1	9,827.92	9,827.92
(b) Reserves and surplus	2	(9,161.22)	(8,154.50)
		666.70	1,673.42
Non-current liabilities			
(a) Long-term borrowings	3	-	1,730.83
(b) Deferred tax liabilities (net)	4	-	-
(c) Other long-term liabilities	5	95.07	110.01
(d) Long-term provisions	6	11.53	2.56
		106.60	1,843.40
Current liabilities			
(a) Short-term borrowings	7	3,365.40	1,185.30
(b) Trade payables	8		
(a) Total outstanding dues of Micro & Small Enterprises		-	-
(b) Total outstanding dues of Creditors other than (a) above		947.20	1,237.23
(c) Other current liabilities	9	772.21	839.92
(d) Short-term provisions	10	2.21	9.07
		5,087.02	3,271.52
		5,860.32	6,788.34
TOTAL			
ASSETS			
Non-current assets			
(a) Fixed assets			
(i) Tangible assets	11	4,867.16	5,652.52
(ii) Capital work-in-progress		196.14	196.13
		5,063.30	5,848.65
(b) Long-term Investments	12	-	-
(c) Long-term loans and advances	13	120.60	135.97
		5,183.90	5,984.62

Current assets			
(a) Inventories	14	419.20	486.20
(b) Trade receivables	15	56.22	51.98
(c) Cash and cash equivalents	16	5.39	4.44
(d) Short-term loans and advances	17	194.13	259.62
(e) Other current assets	18	1.48	1.48
		676.42	803.72
TOTAL		5,860.32	6,788.34

Note:

Statement on Significant Accounting Policies and accompanying notes are an integral part of the Financial Statements

As per our Report attached

For and on behalf of the Board

For M.S. KRISHNASWAMI & RAJAN

Chartered Accountants
Firm Registration No.01554S

TRIBHUVAN SIMH RATHOD

DIN:01996833
Managing Director

T R SEETHARAMAN

DIN:02385221
Director

M S MURALI

Partner
Membership No.26453

N SUBRAMANIAN

DIN:02577983
Director

M.SUBBARAO

Chief Financial Officer

Place : Chennai

Date :May 21,2016

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

	Note	As at 31st March, 2016	As at 31st March, 2015
		Rs.in lakhs	Rs.in lakhs
INCOME			
CONTINUING OPERATIONS			
Revenue from operations	19	319.28	271.55
Less: Excise duty		2.82	9.97
Revenue from operations (Net)		316.46	261.58
Other income	20	20.76	34.50
Total revenue (1+2)		337.22	296.08
EXPENSES			
(a) Cost of materials consumed	21	284.79	138.42
(b) Purchase of traded goods	22	0.75	0.09
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	34.51	66.11
(d) Employee benefits expense	24	71.23	108.74
(e) Finance costs	25	26.86	95.73
(f) Depreciation and amortisation expense	26	785.35	821.60
(g) Power and Fuel		12.12	55.43
(h) Other expenses	27	80.94	60.41
Total expenses		1,296.55	1,346.53
Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)		(959.33)	(1,050.45)
Exceptional items		44.27	33.81
Profit / (Loss) before extraordinary items and tax (5 + 6)		(1,003.60)	(1,084.26)
Extraordinary items		-	-
Profit / (Loss) before tax (7 ± 8)		(1,003.60)	(1,084.26)
Tax expense:			
(a) Current tax expense			
- Current Year			
- Prior Year (Net)		3.12	10.74
(b) Deferred tax (net)		-	-
Profit / (Loss) from continuing operations (9 ±10)		(1,006.72)	(1,095.00)

DISCONTINUING OPERATIONS			
Profit / (Loss) from discontinuing operations (before and after tax)		-	-
		-	-
TOTAL OPERATIONS			
Profit / (Loss) for the year (11 ± 12)		(1,006.72)	(1,095.00)
Earnings per share (of Rs.10/- each) before and after Extraordinary item			
- Basic and Diluted from Continuing and Total operations.		(1.02)	(1.11)

Note:

Statement on Significant Accounting Policies and accompanying notes are an integral part of the Financial Statements

As per our Report attached

For and on behalf of the Board

For M.S. KRISHNASWAMI & RAJAN

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TRIBHUVAN SIMH RATHOD

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Membership No.26453

N SUBRAMANIAN

DIN:02577983
Director

M.SUBBARAO

Chief Financial Officer

Place : Chennai

Date :May 21,2016

CASH FLOW STATEMENT FOR THE YEAR 2015-16

Particulars	As at 31st March, 2016		As at 31st March, 2015
	Rs.in lakhs	Rs.in lakhs	Rs.in lakhs
A. Cash flow from operating activities			
Profit / (Loss) before tax		(1,006.72)	(1,095.00)
<i>Adjustments for:</i>			
Depreciation and amortisation	785.35		821.60
Finance costs	26.14		95.73
Unrealised exchange loss/(gain)	(0.87)		(77.21)
unclaimed balances written back	(16.14)		(28.55)
Interest (income)	(1.48)		(4.67)
Provision for Bad trade receivables written back on recovery	-		(0.20)
Provision for Bad trade receivables	0.01	793.02	0.68
Operating profit / (loss) before working capital changes		(213.71)	(287.63)
<i>Changes in working capital:</i>			
<i>Adjustments for (increase) / decrease in operating assets:</i>			
Inventories	67.00		42.11
Trade receivables	(3.38)		82.80
Short-term loans and advances	65.50		(33.58)
Long-term loans and advances	15.36		25.40
Other current assets	-		(1.48)
	144.48		115.26
<i>Adjustments for increase / (decrease) in operating liabilities:</i>			
Trade payables	(290.03)		(154.86)
Other current liabilities	(51.56)		46.11
Other long-term liabilities	(14.94)		(2.30)
Short-term provisions	(6.86)		(31.13)
Short-term Borrowings	(392.17)		-
Long-term provisions	8.97		(8.69)
	(746.60)		(150.86)
Cash generated from operations		(815.82)	(323.23)
Net income tax (paid)/refunds			
Net cash flow from / (used in) operating activities (A)		(815.82)	(323.23)

B. Cash flow from investing activities			
Capital expenditure on fixed assets	-		-
Proceeds from sale of fixed assets	-		-
Interest received	1.48		4.67
Net cash flow from / (used in) investing activities (B)		1.48	4.67
C. Cash flow from financing activities			
Proceeds from short term borrowings	2,572.26		531.75
Repayment of short term borrowings	-		(9.11)
Repayment of long term borrowings	(1,730.83)		-
Interest payments	(26.14)		(95.73)
Net cash flow from / (used in) financing activities (C)	815.29		426.91
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	0.95		108.36
Cash and cash equivalents at the beginning of the year	4.44		(512.44)
Cash and cash equivalents at the end of the year	5.39		(404.08)
	0.95	-	108.36

Note:

Statement on Significant Accounting Policies and accompanying notes are an integral part of the Financial Statements

As per our Report attached

For and on behalf of the Board

For M.S. KRISHNASWAMI & RAJAN

Chartered Accountants
Firm Registration No.01554S

TRIBHUVAN SIMH RATHOD

DIN:01996833
Managing Director

T R SEETHARAMAN

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Director

M S MURALI

Partner
Membership No.26453

N SUBRAMANIAN

DIN:02577983
Director

M.SUBBARAO

Chief Financial Officer

Place : Chennai

Date : May 21, 2016

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 1: Share capital

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Rs. in lakhs	Rs. in lakhs
(a) Authorised		
100,000,000 (2015:100,000,000) Equity shares of Rs.10 each with voting rights	10,000.00	10,000.00
(b) Issued		
98,279,239 Equity shares of Rs.10 each with voting rights	9,827.92	9,827.92
(c) Subscribed and fully paid up		
98,279,239 Equity shares of Rs.10 each with voting rights	9,827.92	9,827.92
Total	9,827.92	9,827.92

1.1 Reconciliation of the number of Equity Shares and amount outstanding at the beginning and at the end of the reporting period.

Particulars	As at 31 March, 2016	Rs.in lakhs	As at 31 March, 2015	Rs.in lakhs
	No of Equity Shares	Amount	No of Equity Shares	Amount
Balance at the Beginning	98,279,239	9,827.92	98,279,239	9,827.92
Balance at the end	98,279,239	9,827.92	98,279,239	9,827.92

1.2 Shareholders holding more than 5% of the Total Share Capital.

Name of the Shareholder	No of Equity Shares of Rs.10 each held			
	2016	%	2015	%
1. Mr Nalinkant Amratlal Rathod	8,126,383	8.27%	8,126,383	8.27%
2. Solomed Capital Pte Ltd- Holding Company	62,596,302	63.69%	62,596,302	63.69%
3. Capital Carriers Ltd	11,689,671	11.89%	11,689,671	11.89%

1.3 The Equity Shareholders are entitled to receive dividends as and when declared, a right to vote in proportion to holding etc and their rights, preferences and restrictions are governed by terms of their issue and the provisions of the Companies Act, 2013.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 2: Reserves and surplus

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Rs.in lakhs	Rs.in lakhs
(a) Capital Reserve		
Opening balance	33.37	33.37
Add: Additions during the year	-	-
Less: Utilised / transferred during the year	-	-
Closing balance	33.37	33.37
(b) Central Subsidy from Government of India		
Opening balance	12.75	12.75
Add: Additions during the year	-	-
Less: Utilised during the year	-	-
Closing balance	12.75	12.75
(c) Capital Reduction Reserve		
Opening balance	754.44	754.44
Add: Additions / transfers during the year	-	-
Less: Utilisations / transfers during the year	-	-
Closing balance	754.44	754.44
(d) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance		
Add: Profit / (Loss) for the year	(8,955.06)	(7,860.06)
Closing balance	(1,006.72)	(1,095.00)
Total	(9,961.78)	(8,955.06)
	(9,161.22)	(8,154.50)

2.1 Capital Reserve represents amounts transferred upon cessation of liability under One time Settlement in earlier years.

2.2 Capital Reduction Reserve arose out of reduction in Equity Share Capital effected in Financial Year 2002-03 in terms of the order of the Board for Industrial and Financial Reconstruction (BIFR) dated December 18,2002.

Note 3: Long-term borrowings

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Rs.in lakhs	Rs.in lakhs
Secured:		
12.54 %Deep Discount Bonds	-	1,730.83
Total	-	1,730.83

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

3.1: 537,524 Deep Discount Bonds of Rs.1000/- each were issued to Atreya Finance Pvt Ltd on March 30, 2009 at a discounted price of Rs.322. The said Bonds mature on March 31,2019 but both the parties have options to redeem/encash the same at an earlier date at predetermined discount rate or at a price to be agreed upon at the time of conversion after due written notice to the other party. The terms of these bonds were renegotiated with the incremental price payable from a negotiated date after March 31,2015 instead of April 1,2010 as initially agreed upon. Since the bonds are redeemable at the issue price upto the said negotiated date no discount was recognised in the financial statements up to that date. The Bonds have been repaid to bondholder in full during the current year.

3.2 : The Deep Discount Bonds were to be secured by all movable and immovable assets of the Company other than current assets hypothecated to working capital bankers and 3rd floor premises in Varun Towers, Begumpet. The Charge was under creation for the year ending 31/03/2015. However, the Deep Discount Bonds have been fully redeemed / repaid in the current financial year, and hence no security needs to be created as at the end of the year in respect of the same.

Note 4: Deferred tax Liabilities (Net)

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Rs.in lakhs	Rs.in lakhs
Composition of net deferred tax liability		
<u>Deferred tax liabilities</u>		
- On account of Depreciation	527.52	614.64
	527.52	614.64
<u>Deferred tax assets</u>		
- On account of Unabsorbed depreciation	527.52	614.64
	527.52	614.64
Deferred Tax Liability (Net)	-	-

4.1 In the light of the Company having an history of recent losses, accrual of deferred tax asset is restricted to timing differences, the reversal of which will result in sufficient income as laid down in para 18 of Accounting Standard 22 "Accounting for Taxes on Income"

Note 5: Other long-term liabilities

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Rs.in lakhs	Rs.in lakhs
(a) Trade Payables (including Acceptance)		
(i) Micro,small and Medium Enterprises (Refer Note. 28.13)	-	-
(ii) Others	-	-
(b) Others:		
(a) Trade / security deposits received from dealers	95.07	110.01
Total	95.07	110.01

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 6: Long-term provisions

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Rs.in lakhs	Rs.in lakhs
Provision for employee benefits:		
(i) Provision for compensated absences	0.41	0.40
(ii) Provision for gratuity	11.11	2.16
Total	11.52	2.56

6.1 Details of Long-term Provisions

Particulars	Opening	Addition/(Deletion)	Closing
(i) Compensated Absences	0.40	0.02	0.41
(ii) Gratuity	2.16	8.95	11.11

Note 7: Short-term borrowings

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Rs.in lakhs	Rs.in lakhs
Loans repayable on demand		
-From banks		
Secured	16.34	408.51
Unsecured	-	-
	16.34	408.51
Interest free loan from related party, unsecured		
- From Managing Director	3,114.41	542.14
- From other companies	234.65	234.65
Total	3,365.40	1,185.30

7.1 Details of security for the secured short-term borrowings:

Particulars	Nature of security	As at 31 March, 2016	As at 31 March, 2015
		Rs.in lakhs	Rs.in lakhs
Loans repayable on demand from banks:			
Cash Credit -State Bank of India	Secured by hypothecation of Stocks, Stores,spares and consumables, Receivables and equitable Mortgage of 3rd Floor Premises in Varun Towers Begumpet.	16.34	408.51
Total - from banks		16.34	408.51

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

7.2 Unsecured borrowing from bank represents temporary overdraft facility.

7.3 The Loans from Banks carry interest of Prime Lending Rate (PLR) plus a rate of interest applicable to the Company based on norms, which varies depending upon “credit rating” by the lender and external agency.

Note 8 Trade payables

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Rs.in lakhs	Rs.in lakhs
Trade payables (including Acceptances)		
(i) Micro, Small and Medium enterprises [Refer Note. 28.09]	-	-
(ii) Others	947.20	1,237.23
Total	947.20	1,237.23

Note 9 Other current liabilities

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Rs.in lakhs	Rs.in lakhs
(a) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, etc VAT, Service Tax, etc.)	24.37	59.53
(b) Payables on purchase of fixed assets	-	-
(c) Advances from customers	544.52	520.62
(d) Dues to employees and others	191.09	259.63
(e) Others	12.23	0.14
Total	772.21	839.92

Note 10 Short-term provisions

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Rs.in lakhs	Rs.in lakhs
(a) Provision for employee benefits:		
(i) Provision for compensated absences	0.12	0.12
(ii) Provision for gratuity	2.09	8.95
Total	2.21	9.07

10.1 Details of Short-term Provisions

Particulars	Opening	Addition/(Deletion)	Closing
(i) Compensated Absences	0.12	0.00	0.12
(ii) Gratuity	8.95	(6.87)	2.09

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 11 Fixed assets

Sl. No.	Tangible assets	Gross block				Accumulated depreciation and impairment				Written Down Value		
		"Balance as at 1 April, 2015" Rs.in lakhs	Additions/ Adjustments Rs.in lakhs	Disposals Rs.in lakhs	"Balance as at 31 March, 2016" Rs.in lakhs	"Balance as at 1 April, 2015" Rs.in lakhs	Depreciation/ amortisation expense for the year Rs.in lakhs	Eliminated on disposal of assets/ adjust- ments Rs.in lakhs	"Balance as at 31 Mar, 2016" Rs.in lakhs	"Balance as at 31 Mar, 2015" Rs.in lakhs	"Balance as at 31 Mar, 2016" Rs.in lakhs	"Balance as at 31 Mar, 2015" Rs.in lakhs
1	Land Freehold	65.11	-	-	65.11	-	-	-	-	65.11	65.11	
2	Buildings	1,243.53	-	-	1,243.53	38.64	-	-	394.33	849.20	887.84	
3	Plant and Equipment	10,004.31	-	-	10,004.31	739.64	-	-	6,055.42	3,948.89	4,688.53	
4	Furniture and Fixtures	68.27	-	-	68.27	4.44	-	-	64.33	3.94	8.38	
5	Owned Vehicles	42.12	-	-	42.12	1.90	-	-	42.10	0.02	1.92	
6	Owned Office equipment	75.49	-	-	75.49	0.74	-	-	75.49	-	0.74	
7	Owned Others	4.40	-	-	4.40	-	-	-	4.40	-	-	
	Total	11,503.23	-	-	11,503.23	785.36	-	-	6,636.07	4,867.16	5,652.52	
	Previous year	11,503.23			11,503.23	821.60			5,850.71	5,652.52	6,474.15	
	Capital Work in Progress											196.14

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 12 Long -Term Investments

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Rs.in lakhs	Rs.in lakhs
Trade - Investment in Unquoted equity shares of subsidiary 9,900 (As at 31 March, 2015: 9,900) shares of Rs.10 each fully paid up in Restile Marketing Private Ltd	-	-
Less: Provision for diminution in value of Investments	-	-
Total	-	-

12.1 Procedures relating to windingup of Restile Marketing Private Ltd under Sec.560 of the Companies Act, 1956 has been complied with. Accordingly consolidated financial statements and details under section 129 of the Act, are not furnished.

Note 13 Long-term loans and advances

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Rs.in lakhs	Rs.in lakhs
(a) Capital Advance - Land	-	4.00
(b) Security deposits (including Electricity Deposit)	0	0
Unsecured, considered good	120.60	131.97
Unsecured, considered Doubtful	2.08	2.08
Less:Provision for Doubtful Deposits	(2.08)	(2.08)
Total	120.60	135.97

Note 14 Inventories

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Rs.in lakhs	Rs.in lakhs
(a) Raw materials	68.43	98.58
(b) Work-in-progress	28.65	30.18
(c) Finished goods	161.75	197.07
(d) Stores and spares	160.37	160.37
Total	419.20	486.20

Note:

- Inventories are valued on the basis of the governing principles of lower of cost and Net Realisable value.
- In respect of stores and spares and raw materials, the carrying amount representing cost of item purchased in earlier year is estimated to realise higher values and hence no adjustments have been made to their carrying values.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 15: Trade receivables

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Rs.in lakhs	Rs.in lakhs
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	56.22	51.80
Doubtful	7.25	7.28
	63.47	59.08
Less: Provision for doubtful trade receivables	(7.25)	(7.28)
	56.22	51.80
Other Trade receivables		
Unsecured, considered good	-	0.18
Total	56.22	51.98

Note 16 Cash and cash equivalents

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Rs.in lakhs	Rs.in lakhs
(a) Cash on hand	4.80	3.78
(b) Balances with banks		
In current account	0.59	0.66
Total	5.39	4.44

Note 17 Short-term loans and advances

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Rs.in lakhs	Rs.in lakhs
(a) Loans and advances to employees		
Unsecured, considered good	2.25	4.72
(b) Prepaid Expenses	0.63	0.44
(c) Balances with government authorities		
Unsecured, considered good		
(i) CENVAT credit receivable	188.82	123.58
(ii) Service Tax credit receivable	0.00	48.09
	188.82	176.83
(d) Refund of income tax recoverable	1.65	5.66
(e) Others		
Unsecured, considered good -		
Advance to suppliers	0.78	77.13
Total	194.13	259.62

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 18 Other current assets

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Rs.in lakhs	Rs.in lakhs
Accruals		
Interest accrued on deposits	1.48	1.48
Total	1.48	1.48

Note 19 Revenue from Operations

	Particulars	As at 31st March, 2016	As at 31st March, 2015
		Rs.in lakhs	Rs.in lakhs
(a)	Sale of Products		
	Virtrified Tiles	31.01	77.21
	Feldspar and Quartz lumps	279.67	135.23
(b)	Other Operating Revenue	-	-
	Others	8.60	16.74
	Others-Spares	-	42.37
	Total	319.28	271.55

Note 20 Other income

	Particulars	As at 31st March, 2016	As at 31st March, 2015
		Rs.in lakhs	Rs.in lakhs
(a)	Interest income	1.48	4.67
(b)	Net gain on foreign currency transactions and translation	0.87	0.52
(c)	Unclaimed balances written back	16.14	28.55
(d)	Other Income	2.27	0.76
	Total	20.76	34.50

Note 21. Cost of Raw Materials consumed

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Rs.in lakhs	Rs.in lakhs
Opening stock	258.95	234.36
Add: Purchases	254.64	163.01
	513.59	397.37
Less: Closing stock	228.80	258.95
Cost of material consumed	284.79	138.42

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

21.1 Cost of Rawmaterials consumed comprise;

Sl.No. Particulars	UOM	2016		2015	
		Quantity	Value Rs Lacs	Quantity	Value Rs Lacs
(i) Ball Clay/Fledspar/Quartz etc..	Tonnes	41,582.00	279.79	15,561.500	50.36
(ii) Zirconium sillicate/colour	Tonnes			-	-
(iii) Ceramic Mixture	Tonnes	0.000	-	1,859.900	84.06
(iv) Others	Tonnes	-	5.00	-	4.00
Total			284.79		138.42

21.2 Of the above consumption indogenous items constitute 100% (2014 : 100%)

Note 22. Purchase of Traded goods

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Rs.in lakhs	Rs.in lakhs
Unglazed fully vitrified ceramic Tiles	0.75	0.09
	0.75	0.09

Note 23. Changes in inventories of finished goods and work-in-progress

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Rs.in lakhs	Rs.in lakhs
<u>Inventories at the end of the year:</u>		
Finished goods	161.74	197.07
Work-in-progress	28.65	30.18
	190.39	227.25
<u>Inventories at the beginning of the year:</u>		
Finished goods	197.07	264.79
Work-in-progress	30.18	29.17
	227.25	293.96
Excise duty on Movement in Finished goods	(2.35)	(0.60)
Net (increase) / decrease	34.51	66.11

Note 24 Employee benefits expense

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Rs.in lakhs	Rs.in lakhs
Salaries,Wages and Bonus	64.41	94.62
Contributions to provident and other funds	3.19	3.74
Gratuity	2.09	7.94
Staff welfare expenses	1.54	2.44
Total	71.23	108.74

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 25 Finance costs

	As at 31st March, 2016	As at 31st March, 2015
Interest expense on:	Rs.in lakhs	Rs.in lakhs
(i) Working Capital	24.30	84.90
(ii) Others - Bank Charges	1.84	3.09
(iii) Delayed remittance of duties/taxes etc	0.72	7.74
Total	26.86	95.73

Note 26. Depreciation and Amortisation Expense

Tangible assets	As at 31st March, 2016	As at 31st March, 2015
	Rs.in lakhs	Rs.in lakhs
(a) Buildings		
Own use	38.64	38.64
(b) Plant and Equipment		
Owned	739.64	744.16
(c) Furniture and Fixtures		
Owned	4.44	15.92
(d) Vehicles		
Owned	1.90	7.34
(e) Office equipment		
Owned	0.74	15.54
Total	785.35	821.60

Note 27 Other expenses

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Rs.in lakhs	Rs.in lakhs
Rent	1.90	0.64
Repairs and maintenance - Buildings	-	0.04
Repairs and maintenance - Machinery	-	0.86
Repairs and maintenance - Others	1.70	2.43
Insurance	1.17	1.39
Rates and taxes	28.66	13.82
Communication	1.05	1.58
Sales commission	-	0.58
Advertisement	0.56	-
Business promotion	0.42	4.40
Legal and professional	12.21	10.77
Payments to auditors	4.06	4.00
Bad Debts Written off	0.01	0.68
Provison for Bad Debts receivables	0.00	(0.20)
Directors Sitting Fees	2.01	1.83
Sitting fees expenses		0.18

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Rs.in lakhs	Rs.in lakhs
Vehicle expenses	3.39	3.97
Listing Fees	3.50	-
AGM Expenses	7.09	-
Electricity charges	0.18	0.20
Miscellaneous expenses	13.02	13.24
Total	80.94	60.41

27.1 Payments to the auditors comprises :

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Rs.in lakhs	Rs.in lakhs
a. Towards Statutory Audit	3.50	3.50
b. Towards Tax Audit	0.56	0.50
Total	4.06	4.00

27.2 Payments to Directors Sitting Fees:

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Rs.in lakhs	Rs.in lakhs
(a) Board Meeting expenses		
Mr.T.S.Seetharaman	0.35	0.28
Mr.N.S.Ramachandran	0.28	0.21
Mr.G.Padmanabhan	0.21	0.14
Mr.N.Gopalakrishnan	0.21	0.28
Mr. N.S.Mani	0.28	0.28
(b) Audit Committee expenses		
Mr.T.S.Seetharaman	0.08	0.08
Mr.N.S.Ramachandran	0.08	0.06
Mr.G.Padmanabhan	0.06	0.04
Mr.N.Gopalakrishnan	0.06	0.08
Mr. N.S Mani	0.06	0.08
(c) Out of Pocket expenses		
Mr.T.S.Seetharaman	0.05	0.04
Mr.N.S.Ramachandran	0.04	0.03
Mr.G.Padmanabhan	0.03	0.02
Mr.N.Gopalakrishnan	0.03	0.04
Mr. N.S Mani	0.04	0.04
(d) Share Transfer committee expenses		
Mr.N.S.Ramachandran	0.15	0.13
	2.01	1.83

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Notes to the Financial Statements

Note 28		31.03.16	31.03.15
		Rs. In Lakhs	Rs. In Lakhs
28.01	<p>Contingent liabilities</p> <p>a) A case has been filed against the Company in 1997 regarding alleged sale and lease back of certain fixed assets belonging to the company. The Company has disputed the veracity of the sale and lease back arrangement particularly since there was no evidence of appropriate approvals on behalf of the Company. The case is pending adjudication before the High Court and consequently, the said Company books assets continue in possession of and properly reflected in the account. The outflow in respect of the above is not practicable to ascertain in view of the uncertainties involved.</p> <p>b) The Company has filed an appeal before the High Court of Madras against the demand for payment of excise aggregating Rs.123.57 lakhs towards shifting of machinery outside its premises. The said amount is considered recoverable since, in any event, the company has been advised that it will be entitled to Cenvat Credit w.r.t the same.</p> <p>c)</p> <p>(i) Kerala Sales Tax Deposit</p> <p>(ii) CST Appeal (10-11)</p> <p>(iii) CST Appeal (11-12)</p>	<p>8697552</p> <p>3023024</p> <p>461864</p>	<p>8697552</p> <p>3023024</p> <p>461864</p>
28.02	<p>Going concern Assumption</p> <p>The Company has incurred recurring losses and is engaged in intermittent operations during the year. However, the financial statements have been prepared on a going concern on the basis of management plans to restructure operations to ensure viability of future operations in ensuing year. This would be in a manner as would enable the company to settle its obligations as and when they fall due.</p>		
28.03	<p>i) The company has during the year, adopted the useful lives prescribed in Schedule II to the Companies act, 2013 in respect of its fixed assets. Consequently, the carrying amount of the assets as on April 1, 2014:</p> <p>a) has been depreciated over the remaining useful life of the asset and</p> <p>b) has been charged to statement of Profit and Loss in respect of assets whose remaining useful life is Nil as on April 1,2014.</p> <p>ii) The impact on the results of the year due to the aforesaid change in useful life of assets is a higher charge of depreciation of Rs.231.27 lakhs and consequent higher loss.</p> <p>iii) The charge to Statement of Profit and Loss in (i)(b) above is due to absence of surplus in the Reserves and Surplus in Note.2 to the financial statements and aggregates Rs.20.37 lakhs.</p>		

28.04	a) Defined benefit plans - As per Actuarial valuation on March 31, 2015	Gratuity					Compensated-Leave absences						
		2016	2015	2014	2013	2012	2016	2015	2014	2013	2012		
	A Expense recognised in the statement of Profit and Loss Account for the year ended March 31, 2015												
	1 Current service cost	0.30	0.37	NA	4.28	9.25	-	0.37	3.03	17.09			
	2 Interest cost	0.22	1.06		2.87	4.93	0.04	0.90	1.22	0.89			
	3 past service cost(Vested benefits)	-	-		-	-		-	-				
	4 Net actuarial (gain) / loss recognised during the year	0.19	(11.85)		3.36	(28.24)	(0.02)	(11.99)	(10.36)	(8.46)			
	Past service cost												
	5 Total expense	0.70	(10.42)		10.51	(14.06)	(0.02)	(10.72)	(6.11)	9.52			
	B Actual return on plan assets			NA					NA				
	1 Expected return on plan assets												
	2 Actuarial gain/(loss) on plan assets	0.19	(11.85)		(3.36)	-	(0.02)	(11.99)	(10.36)	-			
	3 Actual return on plan assets												
	C Net Asset/(Liability) recognised in the Balance Sheet			NA					NA				
	1 Present value of the obligation	3.51	2.80		35.29	40.77	0.53	0.52	(5.01)	(16.64)			
	2 Fair value of plan assets	-	-		-	-		-	-	-			
	3 Funded status [surplus/ (deficit)]	-	-		-	-		-	-	-			
	4 Net Asset/(Liability) recognised in the Balance Sheet	(3.51)	(2.80)		(35.29)	(40.77)	(0.53)	(0.52)	(5.01)	(16.64)			

28.04	a) Defined benefit plans - As per Actuarial valuation on March 31, 2015	Gratuity					Compensated-Leave absences							
		2016	2015	2014	2013	2012	2016	2015	2014	2013	2012			
	D Change in Present value of the Obligation during the year			NA				NA						
	1 Present value of obligation as at beginning of the year	2.80	13.23		40.77	61.67	0.52	11.24		16.64		11.10		
	2 Current service cost	0.30	0.37		4.28	9.25	-	0.37		3.03		17.09		
	3 Interest cost	0.22	1.06		2.87	4.93	0.04	0.90		1.22		0.89		
	4 Benefits paid		-		(15.99)	(6.84)	-	-		(5.52)		(3.98)		
	5. Past service cost(vested benefits)		-		-	-				-				
	6 Actuarial (gain) / loss on obligation	0.19	(11.85)		3.36	(28.24)	(0.02)	(11.99)		(10.36)		(8.46)		
	7 Present value of obligation as at end of the year	3.51	2.80		35.29	40.77	0.53	0.52		5.01		16.64		
	E Change in Assets during the year			NA					NA					
	1 Fair value of plan assets as at beginning of the year	-	-		-	-	-	-		-		-		
	2 Expected return on plan assets	-	-		-	-	-	-		-		-		
	3 Contributions	-	-		(15.99)	-	-	-		5.52		-		
	4 Benefits paid	-	-		(15.99)	-	-	-		(5.52)		-		
	5 Actuarial gain / (loss) on plan assets	-	-		-	-	-	-		-		-		
	6 Fair value of plan assets as at end of the year	-	-		-	-	-	-		-		-		
	F Experience adjustments in			NA					NA					
	1. Plan liabilities - loss / (gain)													3.28
	2. Plan assets - (loss) / gain													

28.04	a) Defined benefit plans - As per Actuarial valuation on March 31, 2015	Gratuity					Compensated-Leave absences				
		2016	2015	2014	2013	2012	2016	2015	2014	2013	2012
	3. Experience gain/(loss) on obligation	(0.14)	(11.85)		3.36	(17.65)	(0.02)	(11.99)		10.36	-
	G Major categories of plan assets as a percentage of total plan		Unfunded	NA	Unfunded	Unfunded	Unfunded	Unfunded	NA	Unfunded	Unfunded
	H Actuarial Assumptions	2016	2015	NA	2013	2012	2016	2015	NA	2013	2012
	Discount rate	7.46	8.00%		8.00%	8.75%	7.46	8.00%		8.00%	8.75%
	Salary escalation	3.00	3.00%		3.00%	6.00%	3.00	3.00%		3.00%	6.00%
	a) The estimates of future salary increases by the actuary have reckoned inflation, seniority, promotion and other relevant factors.										
	b) In the previous year all the workers have opted for severance of their employment and their dues settled. Details of staff/executives continuing in employment required by the actuarial valuer could not be furnished and therefor the Company has estimated the said liability for recognition in the financial statements.										
28.05	Segment Information										
	The Company's primary segment is identified as business segment based on nature of product, risks, returns and the internal business reporting system. The Company is operating in only a single business segment viz. vitrified tiles.										

28.06	Related party disclosure		
	A. Related Party Relationship		
	a) Associate Companies		
	1 Sologuard Medical Devices (P) Limited		
	2. Athreya Finance Pvt Ltd		
	3. Bell Granito Ceramica Limited		
	b) Key Management Personnel		
	Mr. Tribhuvan Simh Rathod - Managing Director		
	Mr.Nalinkant Amratlal Rathod- Chairman		
	B. Related Party transactions and outstanding balances:		
	(i) Associate Companies		
	I Bell Granito Ceramica Ltd		
	a) Purchase of Materials	0.75	0.10
	b) Sale of Raw materials	294.03	161.09
	c) Sales of Machinery spares	0.00	20.19
	d) Advance/current account - Net increase/(decrease)	12.33	(4.36)
	e) Short-term loan taken	0.00	0.00
	f) Advance/current Account -Balance	1187.56	1468.51
	g) Short-term loan - Balance	234.65	234.65
	II Sologuard Medical devices Pvt Ltd		
	a) Short-term loan taken	0.00	0.00
	b) Short-term loan repaid	0.00	3.50
	c) Short-term loan - Balance	0.00	0.00
	d) Deep Discount Bond outstanding	0.00	1730.83
	(ii) Key management Personnel		
	Mr.Tribhuvan Simh Rathod		
	a) Salary	30.00	30.00
	b) Salary Payable	57.27	37.38
	c) Short-term Loan-Balance	3114.41	417.19
	Mr.Nalinkant Amratlal Rathod		
	Short-term Loan-Balance	0.00	124.95

28.07	Basic and Diluted earnings per share		
	Profit after taxation as per Statement of profit and loss	(1006.72)	(1095.00)
	Weighted average number of equity shares outstanding	98279239.00	98279239.00
	Par value of equity share Rs.	10.00	10.00
	Basic and Diluted earnings per share Rs.	(1.02)	(1.11)
28.08	The circularisation of balances of customers/suppliers is in progress		
28.09	The Company has not received any information from “Suppliers” regarding their status under the Micro, Small and Medium Enterprises Development Act,2006 and hence disclosures, if any relating to the amounts unpaid as at the end of the year together with interest paid/payable under the Act have not been furnished.		
28.10	Previous year’s figures have been regrouped / reclassified wherever necessary to correspond with the current year’s classification.		

Signatures to the statement of Significant Accounting Policies and Notes to the Financial Statements

For and on behalf of the Board

TRIBHUVAN SIMH RATHOD
MANAGING DIRECTOR
DIN:01996833

T R SEETHARAMAN
DIRECTOR
DIN:02385221

N. SUBRAMANIAN
DIRECTOR
DIN:02577983

M. SUBBARAO
CHIEF FINANCIAL OFFICER

STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

1. Basis of accounting and preparation of financial statements

- 1.1** The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 (“the 2013 Act”)/ Companies Act, 1956 (“the 1956 Act”), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention except for certain categories of fixed assets that are carried at re-valued amounts. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.
- 1.2** All assets and liabilities have been classified as current or non-current as per the Company’s normal operating cycle and other criteria set out in the revised schedule III to the 2013 Act based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has determined its operating cycle as twelve months for the purpose of current - noncurrent classification of assets and liabilities.

2. Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

3. Tangible Fixed assets and depreciation

Cost of all assets, where the cost exceeds Rs. 10,000 and the estimated useful life is two years or more, is capitalized. Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. Cost of fixed assets is net of eligible credits under Cenvat / Vat Scheme. Expenditure directly related and incidental to construction are capitalized up to the date of attainment of commercial production. Interest and other related costs, including amortized cost of borrowings attributable only to qualifying assets are capitalized as part of the cost of the respective assets. Expenses incurred on major refurbishment extending the life of Plant and Machinery has been capitalized to the respective Asset. Capital work-in-progress is carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Assets are depreciated on straight line basis, over their estimated useful life as below.

- a)** Assets subject to impairment, on the asset’s revised carrying amount, over its remaining useful life.
- b)** Other assets over the estimated useful life prescribed in Schedule II to the Companies Act, 2013.

4. Investments

Non-current investments are stated at cost. However, provision for diminution is made to recognize a decline, other than temporary, in the value of the investment, if any.

5. Inventories

Inventories are valued at lower of cost and net realisable value; cost being ascertained on the following basis:

Stores, spares, consumable tools, and raw materials: on weighted average cost basis.

Work-in-progress, finished goods: under absorption costing method with the cost of incomplete Work at the end of the year, being estimated.

Cost includes taxes and duties and is net of eligible credits under Cenvat / Vat Schemes.

Obsolete / slow moving inventories are adequately provided for.

6. Foreign currency transactions and derivatives

Foreign currency transactions are recorded at the rates prevailing on the date of the transaction. Monetary assets and liabilities in foreign currency are translated at closing rate. Exchange differences arising on settlement or translation of monetary items are recognized as income or expense in the Statement of Profit and Loss .

7. Amortization of deferred expenditure

Expenditure incurred on raising capital and other preliminary expenses are amortised over a period of five years. All identifiable amounts spent on Brand Building resulting in long term benefits are amortized over the period the benefit is expected to enure.

8. Revenue recognition

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the despatch of goods to customers. Sales include excise duty but exclude sales tax and value added tax.

9. Research and Development Costs

Expenditure on research is charged to revenue as incurred. Product development costs, including on new variants of existing products are recognised as Intangible assets and amortised.

10. Employee benefits

(a) Short term employee benefit obligations are estimated and provided for.

(b) Post employment benefits and other long term employee benefits

Defined contribution plans:

Company's contribution to provident fund, employee state insurance and other funds are determined under the relevant schemes and / or statute and charged to revenue.

Defined benefit plans and compensated absences:

Company's liability towards gratuity, other retirement benefits and compensated absences are determined at each balance sheet date using the projected unit credit method, and the gains and losses are recognised in revenue.

11. Deferred tax

(a) Deferred tax is recognized on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversing in one or more subsequent periods.

(b) Deferred tax assets on unabsorbed depreciation and carry forward of losses are recognized only to the extent there is a virtual certainty of its realization.

12. Provisions and contingencies

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Statement on Significant Accounting Policies and accompanying notes are an integral part of the Financial Statements

As per our Report attached

For M.S. KRISHNASWAMI & RAJAN

Chartered Accountants
Firm Registration No.01554S

For and on behalf of the Board

TRIBHUVAN SIMH RATHOD

Managing Director

M S MURALI

Partner
Membership No:26453

TR SEETHARAMAN

Director

Place: Chennai

Date: 21 May 2016



RESTILE CERAMICS LIMITED

Registered office: Malkapur Village, Hatnoora mandal, Narsapur Taluk, Medak Dist- 503 296, Telangana
CIN: L26931TG1986PLC006480, Email:restile@accountscare.com Tel: 91+8458-288772

ATTENDENCE SLIP

I/We hereby record my/our presence at the 30th Annual general meeting of the company on Saturday , September 24th 2016 at 11.30 A.M at Malkapur Village, Hatnoora Mandal, Narsapur Taluk, Medak Dist – 502296.

Folio No/DPID – Client ID: _____

Full Name of the Shareholder in Block Letters: _____

No of Shares Held: _____

Name of Proxy (if any) in Block Letters:_____

Signature of the Shareholder(s)

Note:

1. Shareholder/Proxy holder wishing to attend the meeting must bring the Attendance Slip/Proxy form as the case may be to the meeting and handover at the entrance duly signed.
2. Electronic copy of the Annual Report 2015-16 and notice of the Annual general meeting (AGM) along with Attendance Slip and Proxy form is being sent to all the members whose email address is registered with the Company/Depository participant unless any member has requested for hard copy of the same. Members receiving electronic copy and attending AGM can print copy of this Attendance Slip.
3. Physical copy of the Annual Report as 2015-16 and notice of the Annual general meeting (AGM) along with Attend-ance Slip and Proxy form is being sent in the permitted mode(s) to all the members whose email is not registered (or) have requested for a hard copy.

RESTILE CERAMICS LIMITED

Registered office: Malkapur Village, Hatnoora mandal, Narsapur Taluq, Medak Dist- 503 296, Telangana
CIN: L26931TG1986PLC006480, Email:restile@accountscare.com Tel: 91+8458-288772

Form No. MGT-11 PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s): _____
Registered Address: _____

E-mail ID: _____ Folio No./DPID and Client ID: _____



I/We, being the Member(s) of _____ shares of the above named Company, hereby appoint

1. Name: _____ E-mail ID: _____

Address: _____

_____ Signature: , or failing him/her

2. Name: _____ E-mail ID: _____

Address: _____

_____ Signature:

as my/our proxy to attend and vote, in case of a poll, for me/us and on my/our behalf at the 30th Annual General Meeting of the Company, to be held on 24th September 2016 at the Registered Office of the Company and at any adjournment thereof in respect of such resolutions and in such manner as are indicated below:

Reso. No.	Description	For*	Against*
1.	Adoption of annual Accounts and Reports thereon for the financial year ended 31st March 2016.	<input type="checkbox"/>	<input type="checkbox"/>
2.	To appoint a Director in place of Sri. Nalinkant Amratlal Rathod (DIN: 00272129) who retires by rotation and is eligible for reappointment.	<input type="checkbox"/>	<input type="checkbox"/>
3.	To appoint Smt. Bharathi Nalin Rathod (DIN: 02587701) as Director who retires by rotation and is eligible for re-appointment	<input type="checkbox"/>	<input type="checkbox"/>
4.	To re-appoint statutory auditors of the company and fix their remuneration	<input type="checkbox"/>	<input type="checkbox"/>
5.	Re-appointment of Mr. Tribhuvan Simh Rathod as Managing Director of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
6.	Appointment of Mr. Gopalachari Padmanabhan as Independent Director of the Company;	<input type="checkbox"/>	<input type="checkbox"/>
7.	Appointment of Mr. Tenkasi Ramanarayanan Seetharaman as Independent Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>
8.	To appoint Shri K.D. Shah as Non Executive Independent Director	<input type="checkbox"/>	<input type="checkbox"/>
9.	Authority to borrow in excess of the paid up capital and reserves	<input type="checkbox"/>	<input type="checkbox"/>
10.	Authority to create mortgages, charges and hypothecations	<input type="checkbox"/>	<input type="checkbox"/>

Notes:

- Please put a 'X' in the Box in the appropriate column against the respective resolutions. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- A Proxy need not be a Member of the Company. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as proxy on behalf of not more than fifty Members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as proxy for any other Member
- This form of Proxy, to be effective, should be deposited at the Registered Office of the Company Malkapur Village, Hatnoora mandal, Narsapur Taluk, Medak District – 502 296, Telangana not later than FORTY-EIGHT HOURS before the commencement of the aforesaid meeting.



Dear Shareholder,

Sub: Green Initiative in Corporate Governance

The Ministry of Corporate Affairs has taken a “Green Initiative in Corporate Governance” by allowing paperless compliance by companies through electronics made. In accordance with the recent circular No.17/2011 dated 21.04.2011 and circular No 18/2011 dated 29.04.2011 issued by the Ministry, Companies can now send various notices and documents including annual report, to its shareholders through electronic mode to the registered e-mail addresses of shareholders. It is a welcome move for the society at large as this will reduce paper consumption to great extent and allow share holders to contribute towards a Greener Environment. This is a golden opportunity for every shareholder of Restile Ceramics Limited to contribute to the corporate Social Responsibility initiative of the Company.

We therefore invite all our shareholders to contribute to the cause by filling up the form given below and send it back to our registry, Cameo Corporate Services Ltd.

Let’s be part of this ‘Green Initiative’

Please note that as a member of the company you will be entitled to receive all such communication in physical form, upon request.

E-COMMUNICATION REGISTRATION FORM

(In items of circular no.17/2011 dated 21.04.2011 issued by the Ministry of Corporate Affairs)

- Folio No. /DPID &Client ID :
- Name of 1st Registered Holder :
- Name of joint Holder(s) :
- Registered Address :
- E mail ID (to be registered) :

I/we share holder(s) of Restile Ceramics Limited agree to receive Communication from the Company in electronic mode. Please Register my above e-mail id for sending communication through e-mail.

Date:.....

Signature.....

Note:

Shareholder(s) are requested to keep the company informed as and when there is any change in the e-mail address.

Registrars & Share Transfer Agents

M/s. Cameo Corporate Services Ltd,
"Subramanian Building"
1, Club House Road, Chennai 600 002.

All Correspondence may be addressed to them

If undelivered Please return to:



RESTILE CERAMICS LTD

1-10-177, VARUN TOWERS, 5TH FLOOR,
OPP. HYDERABAD PUBLIC SCHOOL,
BEGUMPET, HYDERABAD – 500 016