

# **Restile Ceramics Limited**

*31<sup>st</sup> Annual Report 2016-17*

## BOARD OF DIRECTORS

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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	-	Independent Director
Sri. G.Padmanabhan	-	Independent Director
Smt. Bharathi Rathod	-	Woman Director
Sri. Kaushik Dhirajlal Shah	-	Independent Director

## KEY MANAGERIAL PERSONS

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

## SHAREHOLDERS' INFORMATION

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<b>Annual General Meeting</b>	31st AGM on 21st September 2017
<b>Venue</b>	At Registered office at Malkapur Village, Hatnoora Mandal, Narsapur Taluk, Medak District - 502 296, Telangana.
<b>Auditors</b>	<b>M/s. M.S. Krishnaswami &amp; Rajan</b> Chartered Accountants GB, Anand Apartments, JP Avenue, Dr.Radhakrishnan Road, 6th Street, Chennai - 600 004.
<b>Bankers</b>	State Bank of India SME Adyar Chennai-600020 Sanga Reddy Branch, Sanga Reddy, Medak – 502 001
<b>Registered Office &amp; Factory Location</b>	Malkapur Village, Hatnoora Mandal, Narsapur Taluk, Medak District - 502 296, Telangana www.restile.com
<b>CIN</b>	L26931TG1986PLC006480
<b>Book Closure Date</b>	14.9.17 to 21.9.17 (Both days inclusive)
<b>Listing</b>	<b>Bombay Stock Exchange Ltd</b>
<b>ISIN NO</b>	INE298E01022
<b>Stock Code</b>	515085
<b>Evoting Dates</b>	17.9.17 to 20.9.17
<b>Registrars &amp; Share Transfer Agents</b>	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 31st Annual General Meeting of the Members of the Company will be held at 11.30.A.M on 21st September 2017 at the registered office of the Company situated at Malkapur Village, Hat-noora 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, 2017, 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 re-appointment.
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, travelling expenses etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

#### 5. 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.”

## 6. 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 : Chennai

Date : 21st August 2017

## NOTES

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- 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 14th September 2017 to 21st September 2017.
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 2016-2017 has been paid to Stock Exchange.
10. Brief resume of the Directors seeking reappointment and other details as stipulated 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 17th September, 2017 at 9.00 a.m. and ends on 20th September, 2017 at 5.00 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 14th September 2017, 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](http://www.evotingindia.com).
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
- For CDSL: 16 digits beneficiary ID,
  - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - 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](http://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:

	<b>For Members holding shares in Demat Form and Physical Form</b>
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"> <li>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.</li> <li>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.</li> </ul>
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"> <li>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).</li> </ul>

- (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. 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](http://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](mailto: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](mailto: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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

By Order of the Board of Directors

Sd/-

Place : Chennai  
Date : 21st August 2017

Nalinkant Amratlal Rathod  
(DIN 00272129)  
CHAIRMAN

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## **Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 forming part the 31st Annual General Meeting of the Company**

### **Item No.2**

Mr. Nalinkant Amratlal Rathod (DIN: [00272129](#)), Director of the Company, retiring by rotation at the ensuing 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, offer 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 & Bell Granito Ceramica 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 & 6

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 is interested or concerned in passing of the resolution

By Order of the Board of Directors  
Sd/-  
Nalinkant Amratlal Rathod  
(DIN 00272129)  
CHAIRMAN

**Place :** Chennai  
**Date :** 21st August 2017



## DIRECTORS' REPORT

### To the Members

The Directors are pleased to present the 31st Annual Report of the Company together with its Audited Financial Statements for the year ended March 31, 2017.

### Financial Results

Particulars	₹ Lakhs	
	2016-17	2015-16
Gross Sales	25.95	319.28
Other Income	123.32	20.76
EBITDA	(55.39)	(191.38)
Interest and Financial charges	3.04	26.14
Depreciation	690.44	785.35
Profit/(Loss) before taxes	(748.87)	(1003.60)
Provision for taxes	0	3.12
Profit / (Loss) carried to Balance Sheet	(748.87)	(1006.72)

### Company Performance

The Company achieved a turnover of ₹ 25.95 Lakhs for the period ended March 31, 2017; decreased by ₹ 293.33 Lakhs (91.88%) as compared to previous year.

The total expenditure for the period ended March 31, 2017 stood at ₹ 895.95 Lakhs, decreased by ₹ 447.99 Lakhs (33.33%) as compared to previous year.

The Loss (EBITDA) before Depreciation, Finance Cost and Tax for the year ended March 31, 2017 amounted to ₹ 55.93 Lakhs, decreased by ₹135.45 Lakhs (70.78%) as compared to previous year.

The Loss before tax and Exceptional item(s) for the year ended March 31, 2017 amounted to ₹748.87 Lakhs, decreased by ₹254.73 Lakhs (25.38%) as compared to previous year.

The provision for tax for the year ended March 31, 2017 was NIL. The Loss after tax for the year ended March 31, 2017 stood at ₹ 748.87 Lakhs as against a loss of ₹ 1006.72 Lakhs of the previous year. No transfer was made to General reserve during the year ended March 31, 2017.

### 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, 2017.

### 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, 2017 stood at ₹ 4,146.48 lakhs as against ₹ 3365.40 lakhs as at March 31, 2016.

### **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 financial year were on an arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There were no materially significant Related Party Transactions made by the Company during the year that would have required Shareholder approval under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

All Related Party Transactions are placed before the Audit Committee for approval. A statement containing the details of all Related Party Transactions has been placed before the Audit Committee for its review on a quarterly basis.

The Policy on materiality of related party transactions and on dealing with related party transactions as approved by the Board may be accessed on Company's website. There were no transactions during the year which would require disclosure in Form AOC 2.

### **Implementation of Risk Policy**

The Company has constituted a Risk Management Committee voluntarily as a measure of good governance and management practice. The 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 Company's competitive advantage. The risk framework defines the risk management approach across the Company at various levels including documentation and reporting.

The Policy framework enables the Company to evaluate risks, appropriately rate these risks and grade the same in accordance with their potential impact and likelihood. The two key components of risks are the probability (likelihood) of occurrence and the impact (consequence) of occurrence, if the risk occurs. Risk is analyzed by combining estimates of probability and impact in the context of existing control measures.

The Company has laid down procedures to inform Audit Committee as well as the Board of Directors about the risk assessment and management procedures and status. These procedures are periodically reviewed to ensure that the executive management monitors and controls risks.

### **Directors and Key Managerial Personnel (KMP)**

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. Tribhuvan Simh Rathod, Managing Director, Mr. M. Subba Rao, 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 2016-17.

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, 2017 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, Key Managerial Persons and other employees, pursuant to the provisions of the Act.

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 (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 corporate 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 2016-17.

**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 32nd 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 re-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:

In order to make companies business viable, the company has drawn plans to merge Two associate companies (Atreya Finance Private Ltd and Bell Granito Ceramica Ltd) with the company. For this purpose a modified draft merger scheme was submitted to BIFR and was pending before BIFR. However as the BIFR stands dissolved the Company plans to restart the Merger Process afresh before the NCLT.

Further in respect of qualifications/Comments of the auditor company had sought relief from BIFR in the modified draft rehabilitation scheme submitted which shall be resubmitted to NCLT (with necessary modifications). Once the approval of said Scheme is received all the qualifications/comments of auditors in their report will get cleared.

## 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 M.K. Surana & Co, Practicing Company Secretary (C.P No. 5269) 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

**Place :** Chennai  
**Date :** 24th August 2017

Sd/-  
Nalinkant Amratlal Rathod  
(DIN 00272129)  
Chairman

Sd/-  
T R Seetharaman  
(DIN 02385221)  
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 78363 units amounting to Rs.9.28 Lacs (2015:16 128991 units amounting to Rs.12.12 Lacs). During the year there was no production and hence the Gas consumption is Nil (2015:16 Nil)

### Technology Absorption

As there are no productions/operations during the year 2016-17, nothing much happened in the areas of Technology absorption, new product development, cost reduction and quality improvement.

Foreign Exchange Earnings and Outgo	2016-17	2015-16
	(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	
<b>1.</b>	<b>Details of contracts or arrangements or transactions not at arm's length basis:</b>	<b>NIL</b>
	(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:	
<b>2.</b>	<b>Details of material contracts or arrangement or transactions at arm's length basis:</b>	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 : Chennai

Date : 21st August 2017

**Tribhuvan Simh Rathod**

Managing Director

DIN: 01996833

**Narayanan Subramanian**

Director

DIN: 02577983



## ANNEXURE

S.No.	Name of the Related Party	Nature of Transaction	Duration of Transaction	Salient terms of the transaction including the value, if any (in Lakhs)	Date of approval by the board, if any
1	Bell Granito Ceramica Limited	Sales	Continual	5.27	06-08-2016
2	Bell Granito Ceramica Limited	Purchases	Continual	0.29	06-08-2016
3	Bell Granito Ceramica Limited	Others	One Time	386.61	06-08-2016

For and on behalf of the Board of Directors

**Place :** Chennai

**Date :** 21st August 2017

**Tribhuvan Simh Rathod**

Managing Director

DIN: 01996833

**Narayanan Subramanian**

Director

DIN: 02577983

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

as on the financial year ended on 31.03.2017

[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
vii) 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	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change During the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>1) Indian</b>									
Individual/HUF	-	-	-	-	-	-	-	-	-
Central Government	-	-	-	-	-	-	-	-	-
State Government(s)	-	-	-	-	-	-	-	-	-
Bodies Corp.	-	-	-	-	-	-	-	-	-
Banks / FI	-	-	-	-	-	-	-	-	-
Any Other...	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(1)</b>	-	-	-	-	-	-	-	-	-
<b>2) Foreign</b>									
NRIs- Individuals	8126383	-	8126383	8.27	8126383	-	8126383	8.27	-
Other – Individuals	-	-	-	-	-	-	-	-	-
Bodies Corp.	62596302	-	62596302	63.69	62596302	-	62596302	63.69	-
Banks/FI	-	-	-	-	-	-	-	-	-
Any Other...	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(2)</b>	70722685	-	70722685	71.96	70722685	-	70722685	71.96	-
<b>Total Shareholding of Promoters (A) = (A1) + (A2)</b>	<b>70722685</b>	<b>-</b>	<b>70722685</b>	<b>71.96</b>	<b>70722685</b>	<b>-</b>	<b>70722685</b>	<b>71.96</b>	<b>-</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-
Fin. Institutions/Banks	-	40	40	0.00	-	40	40	0.00	-
Foreign Venture	-	-	-	-	-	-	-	-	-
Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1)</b>	117500	1840	119340	0.12	117500	1840	119340	0.12	-
<b>2. Non-Institutions</b>	-	-	-	-	-	-	-	-	-
Bodies Corp.	214181	9281	223462	0.23	252945	9281	262226	0.27	0.04
Overseas Corporate Bodies	14335631	-	14335631	14.59	14335631	-	14335631	14.59	-
Individuals	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change During the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
i) Individual shareholders holding nominal share capital upto Rs.1 Lakh	940443	586490	1524533	1.55	1083239	582470	1665709	1.69	0.14
ii) Individual shareholders holding nominal share capital in excess of Rs.1 Lakh	6879221	-	6879221	7.00	6542290	-	6542290	6.66	(0.34)
<b>Others</b>									
Clearing Members	4651	-	4651	0.0	15692	-	15692	0.02	0.02
Foreign Corporate Bodies	1909750	-	1909750	1.94	1909750	-	1909750	1.94	-
Hindu Undivided Families	193980	-	193980	0.20	336800	-	336800	0.34	0.14
Non Resident Indians	2365986	-	2365986	2.41	2369116	-	2396116	2.41	0.00
<b>Sub-total (B)(2)</b>	<b>26843843</b>	<b>593371</b>	<b>27437214</b>	<b>27.92</b>	<b>26845463</b>	<b>591751</b>	<b>2737214</b>	<b>27.92</b>	<b>-</b>
<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	<b>26961343</b>	<b>595211</b>	<b>27556554</b>	<b>28.04</b>	<b>26962963</b>	<b>593591</b>	<b>27556554</b>	<b>28.04</b>	<b>-</b>
<b>C. Share held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>97684028</b>	<b>595211</b>	<b>98279239</b>	<b>100</b>	<b>97685648</b>	<b>593591</b>	<b>98279239</b>	<b>100</b>	<b>-</b>

## (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
	<b>Total</b>	<b>70722685</b>	<b>71.96</b>	<b>Nil</b>	<b>70722685</b>	<b>71.96</b>	<b>Nil</b>	<b>Nil</b>

(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	<b>LIST ENCLOSED</b>			
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)				

## 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-2016	14335631	14.5866	14335631	14.5866	IN30102221382023	AAKCS8880P
	At the end of the Year 31-Mar-2017	14335631	14.5866	14335631	14.5866		
2	RUDRAPATNA GUNDURAMIAH NARAYANASWAMY						
	At the beginning of the year 01-Apr-2016	5486704	5.5827	5486704	5.5827	IN30045013667688	ADAPN4906H
	Sale 04-Nov-2016	-5480000	5.5759	6704	0.0068		
	At the end of the Year 31-Mar-2017	6704	0.0068	6704	0.0068		
3	SRI JAYA INCORPORATED						
	At the beginning of the year 01-Apr-2016	1909750	1.9431	1909750	1.9431	IN30102221370305	AAKCS7794J
	At the end of the Year 31-Mar-2017	1909750	1.9431	1909750	1.9431		
4	SARASWATHI KUPPUSWAMI						
	At the beginning of the year 01-Apr-2016	1038700	1.0568	1038700	1.0568	IN30102221369565	AUGPK8083M
	At the end of the Year 31-Mar-2017	1038700	1.0568	1038700	1.0568		
5	HARIHARAN SUNDARESAN						
	At the beginning of the year 01-Apr-2016	661134	0.6727	661134	0.6727	IN30102221388160	AARPS9722N
	At the end of the Year 31-Mar-2017	661134	0.6727	661134	0.6727		
6	MAMTA SINGH						
	At the beginning of the year 01-Apr-2016	659990	0.6715	659990	0.6715	IN30102221370039	BKYPS7329R
	At the end of the Year 31-Mar-2017	659990	0.6715	659990	0.6715		
7	SAVITRI N SWAMY						
	At the beginning of the year 01-Apr-2016	462725	0.4708	462725	0.4708	IN30051319899825	APKPS3571B

SI No	Name of the Share holder	Shareholding at the beginning of the year		Shareholding at the end 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	No of shares	% of total shares of the company		
	Sale 08-Jul-2016	-6371	0.0064	456354	0.4643				
	Sale 22-Jul-2016	-6300	0.0064	450054	0.4579				
	Sale 29-Jul-2016	-10307	0.0104	439747	0.4474				
	Sale 05-Aug-2016	-5690	0.0057	434057	0.4416				
	Sale 12-Aug-2016	-9606	0.0097	424451	0.4318				
	Sale 19-Aug-2016	-1810	0.0018	422641	0.4300				
	Sale 26-Aug-2016	-36035	0.0366	386606	0.3933				
	Sale 02-Sep-2016	-9958	0.0101	376648	0.3832				
	Sale 09-Sep-2016	-7535	0.0076	369113	0.3755				
	Sale 16-Sep-2016	-25208	0.0256	343905	0.3499				
	Sale 23-Sep-2016	-71580	0.0728	272325	0.2770				
	Sale 30-Sep-2016	-13785	0.0140	258540	0.2630				
	Sale 07-Oct-2016	-69674	0.0708	188866	0.1921				
	Sale 14-Oct-2016	-30222	0.0307	158644	0.1614				
	Sale 21-Oct-2016	-26617	0.0270	132027	0.1343				
	Sale 28-Oct-2016	-30590	0.0311	101437	0.1032				
	Purchase 04-Nov-2016	5458959	5.5545	5560396	5.6577				
	Sale 23-Dec-2016	-41374	0.0420	5519022	5.6156				
	Sale 30-Dec-2016	-31485	0.0320	5487537	5.5836				
	Sale 06-Jan-2017	-3513	0.0035	5484024	5.5800				
	Sale 24-Mar-2017	-10000	0.0101	5474024	5.5698				
	Sale 31-Mar-2017	-23839	0.0242	5450185	5.5456				
	At the end of the Year 31-Mar-2017	5450185	5.5456	5450185	5.5456				
8	RADHA VALLURY								
	At the beginning of the year 01-Apr-2016	215697	0.2194	215697	0.2194	IN30047642700374	AAVPV8282C		
	At the end of the Year 31-Mar-2017	215697	0.2194	215697	0.2194				

Sl No	Name of the Share holder	Shareholding at the beginning of the year		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	No of shares	% of total shares of the company			
9	PADMAKAR VALLURY									
		At the beginning of the year 01-Apr-2016	177526	0.1806			177526	0.1806	IN30047642700412	AANPV3403D
		At the end of the Year 31-Mar-2017	177526	0.1806			177526	0.1806		
10	USHA NANDAANKUMAR									
		At the beginning of the year 01-Apr-2016	112262	0.1142			112262	0.1142	1201090001710464	ABUPN0948F
		At the end of the Year 31-Mar-2017	112262	0.1142			112262	0.1142		
		NEW TOP 10 AS ON (31-Mar-2017)								
11	AMAR SINGH BAID									
		At the beginning of the year 01-Apr-2016	0	0.0000	0	0.0000	0	0.0000	IN30245310209572	AACHA1268G
		Purchase 30-Sep-2016	16889	0.0171	16889	0.0171	16889	0.0171		
		Purchase 07-Oct-2016	44522	0.0453	44522	0.0453	61411	0.0624		
		Purchase 14-Oct-2016	6728	0.0068	6728	0.0068	68139	0.0693		
		Purchase 21-Oct-2016	2633	0.0026	2633	0.0026	70772	0.0720		
		Purchase 28-Oct-2016	1590	0.0016	1590	0.0016	72362	0.0736		
		Purchase 04-Nov-2016	16394	0.0166	16394	0.0166	88756	0.0903		
		Purchase 11-Nov-2016	3128	0.0031	3128	0.0031	91884	0.0934		
		Purchase 18-Nov-2016	2442	0.0024	2442	0.0024	94326	0.0959		
		Purchase 25-Nov-2016	1650	0.0016	1650	0.0016	95976	0.0976		
		Purchase 02-Dec-2016	200	0.0002	200	0.0002	96176	0.0978		
		Sale 10-Feb-2017	-6797	0.0069	-6797	0.0069	89379	0.0909		
Purchase 24-Feb-2017	1031	0.0010	1031	0.0010	90410	0.0919				
Purchase 03-Mar-2017	4714	0.0047	4714	0.0047	95124	0.0967				
Purchase 10-Mar-2017	2166	0.0022	2166	0.0022	97290	0.0989				
Purchase 17-Mar-2017	4	0.0000	4	0.0000	97294	0.0989				
Sale 24-Mar-2017	-981	0.0009	-981	0.0009	96313	0.0979				
Purchase 31-Mar-2017	15094	0.0153	15094	0.0153	111407	0.1133				
At the end of the Year 31-Mar-2017			111407	0.1133	111407	0.1133				



## (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	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	<b>8126383</b>	<b>8.27</b>	<b>8126383</b>	<b>8.27</b>

**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				
i) Principal Amount	1633946.09	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>1633946.09</b>	<b>334905546.13</b>	<b>-</b>	<b>336539492.22</b>
Change in Indebtedness during the financial year	-	-		
• Addition	-	103207031.00	-	103207031.00
• Reduction	(1633946.09)	(23465000.00)	-	(25098946.09)
Net Change	(1633946.09)	79742031.00	-	78108084.91
Indebtedness at the end of the financial year				
i) Principal Amount	-	414647577.13	-	414647577.13
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>-</b>	<b>414647577.13</b>	<b>-</b>	<b>414647577.13</b>

**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 Managing Director	Rs.11,33,333/-
2	Stock Option		NIL
3	Sweat Equity		NIL
4	Commission - as % of profit - others, specify...		NIL NIL
5	Others, please specify		NIL
	<b>Total (A)</b>		<b>Rs.11,33,333/-</b>
	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 - NIL • Others, please specify- NIL	N.S. Mani T.R. Seetharaman G. Padmanabhan N.S. Ramchandran Kaushik D Shah	36000.00 36000.00 18000.00 37000.00 17000.00
	<b>Total (1)</b>		<b>144000.00</b>
	4. Other Non-Executive Directors • Fee for attending board committee meetings • Commission • Others, please specify		
	<b>Total (2)</b>		<b>NIL</b>
	<b>Total (B)=(1+2)</b>		<b>144000.00</b>
	<b>Total Managerial Remuneration</b>		<b>1277333.00</b>

**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	180000.00	180000.00	360000.00
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
	<b>Total</b>	<b>NIL</b>	<b>180000.00</b>	<b>180000.00</b>	<b>360000.00</b>

**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)
<b>COMPANY</b>					
Penalty	Sec 87 of Companies Act 2013	Condonation for Charge Satisfaction	Penalty- 7500 Condonation-5000	Regional Director	NIL
Punishment			NIL		
Compounding			NIL		
<b>DIRECTORS</b>					
Penalty			NIL		
Punishment			NIL		
Compounding			NIL		
<b>OTHER OFFICERS IN DEFAULT</b>					
Penalty			NIL		
Punishment			NIL		
Compounding			NIL		

For and on behalf of the Board of Directors

Place : Chennai  
Date : 21st August 2017

**Tribhuvan Simh Rathod**  
Managing Director  
DIN: 01996833

**Narayanan Subramanian**  
Director  
DIN: 02577983

**ANNEXURE -B****FORM MR-3****SECRETARIAL AUDIT REPORT****For the Financial Year ended 31st March 2017**

*[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No. 9 of Companies  
(Appointment and Remuneration of Managerial Personnel Rules, 2014)]*

To,  
The Members,  
Restile Ceramics Limited  
(CIN: L26931TG1986PLC006480)  
Malakapur Village, Hatnoor Mandal Medak, West Godavari, Telangana

Dear Sir/Madam,

We have conducted the secretarial audit of the compliance of the applicable statutory provisions and the adherence to good Corporate Governance 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 led 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 clarification 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 2016 to 31st March 2017 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 led and other records made available to us and maintained by M/s. Restile Ceramics Limited for the financial year ended on 01st April 2016 to 31st March 2017 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 Investments, Overseas Direct Investments 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 2016-2017 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 2016-2017 not applicable to the company)
- e.** The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (During the FY 2016-2017 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 2016-2017 not applicable to the company)
- g.** The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (During the FY 2016-2017 not applicable to the company) and
- h.** The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (During the FY 2016-2017 not applicable to the company)
- vi.** The Air (Prevention and Control of Pollution) Act, 1981
- vii.** The Central Sales Tax, 1956
- viii.** The Central Excise Act at various locations as applicable
- ix.** The Consumer Protection Act, 1986
- x.** The Environment Protection Act, 1986
- xi.** The Public Liability Insurance Act, 1991
- xii.** The Registration Act, 1908
- xiii.** The Water (Prevention and Control of Pollution) Act, 1974
- xiv.** The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules thereunder.
- xv.** The Child Labour (Prohibition & Regulation) Act, 1986
- xvi.** The Contract Labour (Regulation & Abolition) Act, 1970
- xvii.** The Employee's Compensation Act, 1923
- xviii.** The Employees' Provident Funds and Miscellaneous Provision Act, 1952
- xix.** The Employees State Insurance Act, 1948
- xx.** The Employers' Liability Act, 1938
- xxi.** The Equal Remuneration Act, 1855
- xxii.** The Indian Fatal Accidents Act, 1855
- xxiii.** The Industrial Disputes Act, 1947
- xxiv.** The inter State Migrant Workmen (Regulation of Employment & Condition of Services) Act, 1979
- xxv.** The Maternity Benefit Act, 1961
- xxvi.** The Minimum Wages Act, 1948

- xxvii.** The payment of Bonus Act, 1965
- xxviii.** The payment of Gratuity Act, 1972
- xxix.** The payment of Wages Act, 1936
- xxx.** The Personal Injuries (Compensation Insurance) Act, 1963
- xxxi.** The Private Security Agency (Regulation) Act, 2005
- xxxii.** The Stamp Acts as applicable at various locations.
- xxxiii.** The Co-operative Societies Act, as applicable at various locations
- xxxiv.** The Shops & Establishment Act, as applicable at various locations.
- xxxv.** The Cyber Law
- xxxvi.** The Foreign Exchange Management Act, 1999
- xxxvii.** The Income Tax Act, 1961 and Rules thereunder
- xxxviii.** The Indian Stamp Act, 1899
- xxxix.** The Information technology Act, 2000
  - xl.** The Intellectual Property Act
  - xli.** The Negotiable Instruments Act, 1881
  - xlii.** The Prevention of Corruption Act, 1988
  - xliii.** The Prevention of Money Laundering Act, 2002
  - xliv.** The Service Tax (Chapter V of Finance Act, 1994) and Rules
  - xlv.** The Legal Metrology Act 2009
  - xlvi.** The Value Added Tax as applicable for various states
  - xlvii.** The State Labour Laws as applicable at various locations
- xlviii.** 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.
- xlix.** 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, Women Director, Nominee Director 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. As on 31.03.2017, the Board consists of Mr. Tribhuvan Simh Rathod as Managing Director, Mr. Nalinkant Amratlal Rathod as Non-Executive Director, Ms. Bharathi Nalin Rathod as Women Director, Mr. Rajendra Prasad Kandikattu as Nominee Director and Mr. Kaushik Dhirajlal Shah, Mr. Tenkasi Ramanarayanan Seetharaman, Mr. Nalandula Srinivasa Rao Ramachandran, Mr. Gopalachari Padmanabhan, Mr. Narayanan Subramanian as Independent Directors of the Company.

As on 31.03.2017, the Key Managerial Personnel of the Company comprises of Mr. Subba Rao Maddula as Chief Financial Officer and Ms. Rekha Singh as Company Secretary of the Company.

Adequate notices were given to all directors for the Board Meetings, agenda and detailed notes on agenda were also sent in advance by the company 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.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines and during the audit period of 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.

We further report that during the audit period, the following events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc., referred to above have taken place –

1. The Board of Directors at its meeting held on 21.05.2016 appointed Mr. Kaushik Dhirajlal Shah as Additional Director of the Company in the capacity of the Independent Director. He was regularized as the Director of the Company at the Annual General Meeting held on 24th September, 2016. Necessary e-forms were filed with ROC pursuant to Section 162, 152 and 149 (4) of the Companies Act, 2013.
2. The Board of Directors at its meeting held on 06.08.2016 re-appointed Mr. Tribhuvan Simh Rathod as the Managing Director of the Company for period commencing from 11/08/2016 to 12/08/2018 and the shareholders gave their consent for the same at the 30th Annual General Meeting of the Company held on 24th September, 2016. Necessary e-forms were filed with Roc pursuant to the section 196 and 198 of the Companies Act, 2013.
3. The Shareholders approved the re-appointment of Mr. Gopalachari Padmanabhan at the 30th Annual General Meeting of the Company held on 24th September, 2016. Necessary e-forms were filed with ROC pursuant to the section 149 of the Companies Act, 2013.
4. The Shareholders approved the Re-appointment of Mr. Tenkasi Ramanarayanan Seetharaman at the 30th Annual General Meeting of the Company held on 24th September, 2016. Necessary e-forms were filed with ROC pursuant to the section 149 of the Companies Act, 2013.
5. The Shareholders have authorized Board of Directors to borrow excess sum of money already borrowed by the Company will exceed aggregate of its paid-up share capital and free reserves, apart from temporary

loans obtained from the Company's bankers in the ordinary course of business and to create mortgages, charges and hypothecations pursuant to the Section 180 (1) (c) and Section 180 (1) (a) of the Companies Act, 2013 respectively.

6. The Company has filed Form CHG - 4 on 29.10.2016 and 18.11.2016 for condoning the delay for secured loans taken from Industrial Finance Corporation of India.
7. The Company has complied with all the applicable regulations of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.
8. The audit on other laws as may be applicable specifically to the Company is carried out based on the respective reports provided to us by the Company. We report that the Company has generally 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, books, documents and management representation letter provided to us, the Company has generally complied with the Tax laws and also other Acts & Laws as are applicable to the Company.

**Place :** Chennai

**Date :** 21st August 2017

**For M.K. SURANA & CO.,  
Company Secretaries**

**M. Kavitha Surana  
Proprietor  
FCS 5926, CP No. 5269**

**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  
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 :** Chennai  
**Date :** 21st August 2017

**For M.K. SURANA & CO.,  
Company Secretaries**

**M. Kavitha Surana  
Proprietor  
FCS 5926, CP No. 5269**

## ANNEXURE TO THE DIRECTOR'S REPORT

As per the last GDP growth estimates, there is growth in Indian economy in the Financial Year 2016-17 compared to Financial Year 2015- 2016. 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 March 31, 2017 stood at 98.27 crore. 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, 2017 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. 23.77 lacs as against Rs. 316.45 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	2017-18	2016-17	Increase/ (Decrease)
1.	Raw Material Consumption (including Movement in Finished Goods Stock)	31.64	320.04	(288.40)
2.	Employee Expenses	50.75	71.23	(20.48)
3.	Power and fuel	9.27	12.12	(2.85)
4.	Finance Costs	3.03	26.86	(23.83)
5.	Other Expenses	110.82	128.34	(17.52)
6.	Depreciation and amortization	690.44	785.35	(94.91)
	Total	895.95	1343.94	(447.99)

It is clear from the above statement that all the expenditures show a decreasing trend compared to previous year.

4. Internal Controls and systems are reviewed periodically and corrective actions are taken upon requirement.
5. 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.
6. 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

**7. 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.

**8. Human Resource & Industrial Relations:**

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

**9. 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, 2017:

#### 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 2017, the Company has Eight (8) Directors with a Non-Executive chairman. Of the Nine Directors, Eight (8) are Non-Executive Directors with Five (5) 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(1) 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
21st May,2016	9	3
6th August, 2016	9	7
13th November, 2016	9	6
31st January, 2017	9	6

7. Independent Directors of the Company separately met once on August 06, 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, 2017. The said code of conduct is also displayed on the Company's website.
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, which is made available at the website of the Company.
16. The Company during the year appointed Mr. Kaushik D Shah (DIN. 00024305) as an Independent Director with effect from May 21, 2016 who was reappointed at the AGM held on September 24, 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 24, 2016	Indian	Foreign	Director Ship	Indian	Foreign	Committee Membership
NALINKANT AMRATLAL RATHOD	00272129	NP	1	-	-	-	Yes	3	-	-	-	-	-
TRIBHUVAN SIMH RATHOD	01996833	MD	4	-	-	-	Yes	2	1	-	-	-	-
BHARATHI NALIN RATHOD	02587701	NN	1	-	-	-	-	3	-	-	-	-	-
NALANDULA SRINIVASA RAO RAMACHANDRAN	00089348	NI	3	3	7	-	Yes	1	1	-	-	-	-
GOPALACHARI PADMANABHAN	00101432	NI	3	3	3	-	-	1	1	-	-	-	-
TENKASI RAMANARAYANAN SEETHARAMAN	02385221	NI	4	4	7	-	-	1	1	-	-	-	-
NARAYANAN SUBRAMANIAN	02577983	NI	4	4	-	-	Yes	2	2	-	-	-	-
KAUSHIK DHIRUBHAI SHAH <sup>1</sup>	00024305	NI	2	1	4	-	-	7	7	-	-	-	-
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

<sup>1</sup>Mr. Kaushik Dhirubhai Shah was appointed as Member of Audit Committee on 13th November 2016.

## Composition of Committees Membership as on March 31,2017:-

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	C	M	C
Gopalachari Padmanabhan	00101432	M	-	-
Tenkasi Ramanarayanan Seetharaman	02385221	M	-	M
Narayanan Subramanian	02577983	M	C	M
Kaushik Dhirajlal Shah <sup>1</sup>	00024305	M	M	-
Rajendra Prasad Kandikattu	00143653	-	-	-
C:- Chairman M:- Member				
<sup>1</sup> Mr. Kaushik Dhirajlal Shah was appointed as Member of Audit Committee on 13th November 2016				

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, and 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**

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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. Oversee 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, 2017 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, 2017, 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 2016 – 2017 to the Managing Director is furnished hereunder:

Particulars	Mr. Tribhuvan Simh Rathod
Salary, Incentive and perquisites	11,33,333.00
Contribution to Provident and Gratuity Fund	At Actual
Performance Incentive Payable	NIL
Shares held as on March 31, 2017.	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 2016-17 and the details of shares held by them as on March 31, 2017 are as under:

Name of Director	Amount	No of Shares Held
NALANDULA SRINIVASA RAO RAMACHANDRAN	37000.00	NIL
GOPALACHARI PADMANABHAN	18000.00	NIL
TENKASI RAMANARAYANAN SEETHARAMAN	36000.00	NIL
NARAYANAN SUBRAMANIAN	36000.00	NIL
KAUSHIK DHIRAJLAL SHAH	17000.00	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
2014	Registered Office the Company at Malkapur Village, Hatnoora Mandal, Narsapur Taluq, Medak Dist, A.P	September 29, 2014	Saturday	11.30 A.M.
2015	Registered Office the Company at Malkapur Village, Hatnoora Mandal, Narsapur Taluq, Medak Dist, A.P	September 19, 2015	Saturday	11.30 A.M
2016	Registered Office the Company at Malkapur Village, Hatnoora Mandal, Narsapur Taluq, Medak Dist, A.P	September 24, 2016	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 2014, 2015 and 2016.

For the year 2016-17, no postal ballot was conducted.

**Compliance with Non-Mandatory Requirements:**

1. **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.

2. **Shareholders' Rights:** The Financial performances 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.

3. **Audit Qualifications:** The Company endeavors to adopt best practices to ensure regime of unqualified financial statements.

**General Shareholder Information**

<b>Corporate Identification Number</b>	<b>L26931TG1986PLC006480</b>
Registered Office	Malkapur Village, HatnooraMandal, NarsapurTaluq, Medak District-502 296, Telangana
Name, Contact Details of Compliance Officer	Mr. TribhuvanSimh Rathod Malkapur Village, HatnooraMandal, NarsapurTaluq, Medak District-502 296, Telangana Email: restile@accountscare.com

<b>Corporate Identification Number</b>	<b>L26931TG1986PLC006480</b>
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	21st September, 2017 At Registered office at Malkapur Village, Hatnoora Mandal, Narsapur Taluk, Medak District-502 296, Telangana
<b>Financial Calendar</b>	
Financial Year	1st April - 31st March
<b>Financial Report For</b>	
Quarter Ending 30th June	On or Before August 15th
Quarter Ending 30th September	On or Before November 15th
Quarter Ending 31st December	On or Before February 15th
Quarter Ending 31st March	On or Before May 30th
Cut-off for e-Voting	14/09/2017
E-Voting Window Dates	17/09/2017 to 20/09/2017
Date of Book Closure	14/09/2017 to 21/09/2017 (Both days inclusive)
<b>Equity Shares</b>	
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 2017-2018.

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

Month	Highest (Rs.)	Lowest (Rs.)	Month	Highest (Rs.)	Lowest (Rs.)
April '16	5.58	4.29	October'16	6.55	4.60
May'16	5.06	3.75	November'16	6.00	4.00
June'16	5.15	3.60	December'16	7.29	4.41
July'16	5.77	4.75	January'17	6.63	5.32
August'16	6.31	4.56	February'17	6.50	4.51
September'16	6.30	4.60	March'17	5.84	4.19

**Shareholding Pattern as on March 31, 2017**

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	362226	0.37
5	Indian Public	8544799	8.69
6	NRIs/OCBs	16704747	17.00
7	Clearing Members	15692	0.02
8	Foreign Bodies	1909750	1.94
	<b>Total</b>	<b>98279239</b>	<b>100.00</b>

**List of Persons holding more than 1% if total number of shares as on March 31, 2017**

SI No	Name of Shareholders	No. of Shares	% of Share Capital
<b>A. Promoters &amp; Promoter Group</b>			
1.	Solomed Capital Pte. Ltd	62596302	63.6922
2.	Nalinkant Amratlal Rathod	8126383	8.2685
<b>B. Public</b>			
1.	Springboard Pacific Enterprise Inc.	14335631	14.5866
2.	Savitri N Swamy	5450185	5.5456
3.	Sri Jaya Incorporated	1909750	1.9432
4.	Saraswathi Kuppuswami	1038700	1.0569

**Distribution Schedule of Share Holding as on March 31, 2017**

Holding of number of Shares or Debentures	Share/Debenture (Holders)		Shares/Debentures (Amount)	
	Number	%	Rs.	%
1 - 5000	23014	97.7073	7874580	0.8012
5001 - 10000	220	0.934	1809150	0.184
10001 - 20000	131	0.5561	2064040	0.21
20001 - 30000	48	0.2037	1197390	0.1218
30001 - 40000	26	0.1103	930780	0.0947
40001 - 50000	26	0.1103	1207640	0.1228
50001 - 100000	40	0.1698	2879990	0.293
100001 - And Above	49	0.208	964828820	98.1721
<b>Total</b>	<b>23554</b>	<b>100.000</b>	<b>982792390</b>	<b>100.000</b>

**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, 2017, 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	593591	0.604
NSDL/CDSL	97685648	99.396
	<b>98277399</b>	<b>100.00</b>

**Investor Correspondence**

For any queries, investors are requested to get in touch with the Secretarial department at Registered office at Malakpur Village, Hatnoora Mandal, Narsapur Taluk, Medak District-502 296, Telangana, 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, 2017.

For RESTILE CERAMICS LIMITED

Place : Chennai  
Date : 21st August 2017

Tribhuvan Simh Rathod  
Managing Director

**CERTIFICATION BY MD AND CHIEF FINANCIAL OFFICER TO THE BOARD**

We, Tribhuvan Simh Rathod, Managing Director and Subba Rao Maddula, Chief Financial Officer of Restile Ceramics Limited certify that:

- A.** We have reviewed the financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. These statements present a true and fair view of the state of affairs of the Company and of the results of operations and cash flows. The Financial statements have been prepared in conformity, in all material respects, with the existing generally accepted Accounting Principles including Accounting Standards, applicable laws and regulations.
- B.** There are, to our best of knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violating of the Company's Code of Conduct.

We accept overall responsibility for establishing and monitoring the Company's Internal Control System for financial reporting and evaluating its effectiveness. Internal Audit function monitor the Internal control system for financial reporting, which encompasses the examination and evaluation of the adequacy and effectiveness. Internal Audit works with all levels of the management and statutory Auditors, and reports significant issues to the audit committee are appraised of any corrective action taken with regard to the significant deficiencies and material weaknesses.

- C.** We have indicated to the auditors and the Audit Committee:
1. That there are no significant Changes in Internal Control over financial reporting during the year;
  2. That there are no Significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and
  3. That there are no Instances of the significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Place: Chennai  
Date: 27th May 2017

Sd/-  
**Tribhuvan Simh Rathod**  
Chief Executive Officer & Managing Director

Sd/-  
**Subba Rao Maddula**  
Chief Financial Officer

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF RESTILE CERAMICS LIMITED

#### Report on the Financial Statements

1. We have audited the accompanying financial statements of **RESTILE CERAMICS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, the Cash Flow Statement, and a summary of the significant accounting policies and other explanatory information for the year then ended.

#### Management's Responsibility for the 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 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 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 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 financial statements.



**Basis for Qualified Opinion**

7. The Company has generated negative operating cash flows, incurred substantial operating losses and significant deterioration in value of assets used to generate cash flows 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, 2017.

**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 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, 2017, 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 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, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 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 a modified 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 27.01 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 Based on audit procedures and relying on Management representation, we report that the disclosures are in accordance with the books of accounts maintained by the Company and as produced by the Management. Refer Note 14 to the Financial Statements.
11. As required by the Companies (Auditor's Report) Order, 2017 ("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

**M.S. Murali**

Partner  
Membership No. 26453  
May 27, 2017  
Chennai

## **ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph 10(f) under 'Report on Other Legal and Regulatory Requirements' section 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, 2017 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, 2017:

*The Company does not have an appropriate internal control system for assessing and recognising impairment to the Fixed Assets of the Company and this could potentially result in the Company recognising Fixed Assets at erroneous values.*

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, 2017, 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, 2017, 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, 2017.

**For M.S. Krishnaswami & Rajan**

Chartered Accountants  
Registration No. 01554S

**M.S. Murali**

Partner  
Membership No. 26453  
May 27, 2017  
Chennai

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**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, 2017)

- (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, 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.
  - (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 and no material discrepancies have been reported that needs to be dealt with in books of accounts.
- (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 from the public during the year and accordingly, the provisions of Clause 5 of paragraph 3 of the Order are not applicable to the Company.
- (vi) In our opinion and according to the information and explanations given to us, the requirement for maintenance of cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014 specified by the Central Government of India under section 148 of the Companies Act, 2013 are not applicable to 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, service tax, excise, value added tax and other statutory dues with the appropriate authorities during the year. The arrears of such dues outstanding for more than six months as at March 31, 2017 are:

Nature of Dues	Amount (Rs. Lakhs)
Sales Tax	16.35
Cess	1.25

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.
- (viii) There are no loans or borrowings from financial institution, government, banks or in the form of debentures.
- (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

**M.S.Murali- Partner**

Membership No: 26453

**Place :** Chennai

**Date :** May 27, 2017

**BALANCE SHEET AS AT 31ST MARCH, 2017**

Particulars	Note	As at 31st Mar, 2017	As at 31st Mar, 2016
		Rs in Lakhs	Rs in Lakhs
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
(a) Share capital	1	9,827.92	9,827.92
(b) Reserves and surplus	2	(9,910.08)	(9,161.22)
		(82.16)	666.70
<b>Non-current liabilities</b>			
(a) Deferred tax liabilities (net)	3	-	
(b) Other long-term liabilities	4	46.50	95.07
(c) Long-term provisions	5	13.29	11.53
		59.79	106.60
<b>Current liabilities</b>			
(a) Short-term borrowings	6	4,146.48	3,365.40
(b) Trade payables	7		
(a) Total outstanding dues of Micro & Small Enterprises		-	-
(b) Total outstanding dues of Creditors other than (a) above		105.18	947.20
(c) Other current liabilities	8	693.61	772.21
(d) Short-term provisions	9	1.07	2.21
		4,946.34	5,087.02
<b>TOTAL</b>		<b>4,923.97</b>	<b>5,860.32</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	10	4,153.62	4,867.16
(ii) Capital work-in-progress		196.14	196.14
		4,349.76	5,063.30
(b) Long-term loans and advances	11	6.74	120.60
		4,356.50	5,183.90

Particulars	Note	As at 31st Mar, 2017	As at 31st Mar, 2016
		Rs in Lakhs	Rs in Lakhs
<b>Current assets</b>			
(a) Inventories	12	351.57	419.20
(b) Trade receivables	13	19.44	56.22
(c) Cash and cash equivalents	14	2.29	5.39
(d) Short-term loans and advances	15	193.81	194.13
(e) Other current assets	16	0.36	1.48
		567.47	676.42
<b>TOTAL</b>		<b>4,923.97</b>	<b>5,860.32</b>

**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**

Managing Director  
DIN:01996833

**N SUBRAMANIAN**

Director  
DIN:02577983

**M S MURALI**

Partner  
Membership No.26453

**M.SUBBARAO**

Chief Financial Officer

**REKHA SINGH**

Company Secretary

**Place :** Chennai

**Date :** May 27, 2017

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MAR, 2017

	Note	As at 31st Mar, 2017	As at 31st Mar, 2016
		Rs in Lakhs	Rs in Lakhs
<b>INCOME</b>			
Revenue from operations	17	25.96	319.28
Less: Excise duty		2.18	2.82
Revenue from operations (Net)		23.78	316.46
Other income	18	123.32	20.76
<b>Total Revenue</b>		<b>147.10</b>	<b>337.22</b>
<b>EXPENSES</b>			
(a) Cost of materials consumed	19	10.10	284.79
(b) Purchase of traded goods	20	0.29	0.75
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	21	21.25	34.51
(d) Employee benefits expense	22	50.75	71.23
(e) Finance costs	23	3.04	26.14
(f) Depreciation and amortisation expense	24	690.44	785.35
(g) Power and Fuel	25	9.28	12.12
(h) Professional Fees	26	2.98	12.21
(i) Vehicle Expenses	26	3.37	3.39
(j) Other expenses	26	25.63	66.06
<b>Total Expenses</b>		<b>817.13</b>	<b>1,296.55</b>
<b>Profit / (Loss) before exceptional items and tax</b>		(670.03)	(959.33)
Exceptional items		78.84	44.27
<b>Profit / (Loss) before tax</b>		(748.87)	(1,003.60)
<b>Tax Expense:</b>			
(a) Current tax expense			
- Current Year		-	-
- Prior Year		-	3.12
(b) Deferred tax		-	-
<b>Net Profit / (Loss) for the year</b>		(748.87)	(1,006.72)
<b>Earnings per share (of Rs.10/- each)</b>			
Basic and Diluted earnings per Share (Rs.)		(0.00)	(0.00)

**Note:**

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

**M S MURALI**

Partner  
Membership No.26453

**TRIBHUVAN SIMH RATHOD**

Managing Director  
DIN:01996833

**M.SUBBARAO**

Chief Financial Officer

**For and on behalf of the Board****N SUBRAMANIAN**

Director  
DIN:02577983

**REKHA SINGH**

Company Secretary

Place : Chennai

Date : May 27, 2017



## CASH FLOW STATEMENT FOR THE YEAR 2016-17

Particulars	As at 31st Mar, 2017		As at 31st Mar, 2016
	Rs in Lakhs	Rs in Lakhs	Rs in Lakhs
<b>A. Cash flow from operating activities</b>			
Profit / (Loss) before tax	(748.86)	(748.87)	(1,006.72)
<i>Adjustments for:</i>	-		
Depreciation and amortisation	690.44		785.35
Finance costs	3.04		26.14
Profit on Sale of Fixed Assets	(120.90)		
Unrealised exchange loss/(gain)	32,314.00		(0.87)
unclaimed balances written back	(1.77)		(16.14)
Interest (income)	(0.65)		(1.48)
Provision for Bad trade receivables	-	32,884.16	0.01
Operating profit / (loss) before working capital changes		32,135.29	(213.71)
<i>Changes in working capital:</i>			
Adjustments for (increase) / decrease in operating assets:	-		
Inventories	67.63		67.00
Trade receivables	(32,277.22)		(3.38)
Short-term loans and advances	0.32		65.50
Long-term loans and advances	1.12		15.36
Other current assets	113.86		
	(32,094.29)		144.48
Adjustments for increase / (decrease) in operating liabilities:			
Trade payables	(842.02)		(290.03)
Other current liabilities	(76.83)		(51.56)
Other long-term liabilities	(48.57)		(14.94)
Short-term provisions	(1.14)		(6.86)
Short-term Borrowings	-		(392.17)
Long-term provisions	1.76		8.97
	(966.80)		(746.60)
Cash generated from operations	(1,497.72)	(925.80)	(815.82)
Net income tax (paid)/refunds			
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>(925.80)</b>	<b>(815.82)</b>
<b>B. Cash flow from investing activities</b>			
Capital expenditure on fixed assets	-		-
Proceeds from sale of fixed assets	144.01		-

Particulars	As at 31st Mar, 2017		As at 31st Mar, 2016
	Rs in Lakhs	Rs in Lakhs	Rs in Lakhs
Interest received	0.65		1.48
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>144.66</b>	<b>1.48</b>
<b>C. Cash flow from financing activities</b>			
Proceeds from short term borrowings	781.08		2,572.26
Repayment of short term borrowings	-		-
Repayment of long term borrowings	-		(1,730.83)
Interest payments	(3.04)		(26.14)
<b>Net cash flow from / (used in) financing activities (C)</b>		<b>778.04</b>	<b>815.29</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		<b>(3.10)</b>	<b>0.95</b>
Cash and cash equivalents at the beginning of the year	5.39		4.44
Cash and cash equivalents at the end of the year	2.29		5.39
		<b>(3.10)</b>	0.95
<i>Control total</i>	-		<i>(0.00)</i>

**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**

Managing Director  
DIN:01996833

**N SUBRAMANIAN**

Director  
DIN:02577983

**M S MURALI**

Partner  
Membership No.26453

**M.SUBBARAO**

Chief Financial Officer

**REKHA SINGH**

Company Secretary

**Place :** Chennai

**Date :** May 27, 2017

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## Note 1: Share Capital

Particulars	As at 31st Mar,2017	As at 31st Mar,2016
	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
<b>Total</b>	<b>9,827.92</b>	<b>9,827.92</b>

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 31st Mar, 2017		As at 31st Mar, 2016	
	No of Equity Shares	Amount (in Lakhs)	No of Equity Shares	Amount (in Lakhs)
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			
	2017	%	2016	%
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.

**Note 2: Reserves and Surplus**

Particulars	As at 31st Mar,2017	As at 31st Mar,2016
	Rs in Lakhs	Rs in Lakhs
(a) Capital Reserve		
Opening balance	33.38	33.37
Add: Additions during the year	-	-
Less: Utilised / transferred during the year	-	-
Closing balance	33.38	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	(9,961.78)	(8,955.06)
Add: Income Tax (TBD)		
Add: Profit / (Loss) for the year	(748.87)	(1,006.72)
Closing balance	(10,710.65)	(9,961.78)
<b>Total</b>	<b>(9,910.08)</b>	<b>(9,161.22)</b>

**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: Deferred tax Liabilities (Net)**

Particulars	As at 31st Mar,2017	As at 31st Mar,2016
	Rs. In Lakhs	Rs. In Lakhs
<b>Composition of net deferred tax liability</b>		
<u>Deferred tax liabilities</u>		
- On account of Depreciation	564.61	527.52
	564.61	527.52
<u>Deferred tax assets</u>		
- On account of Unabsorbed depreciation	564.61	527.52
	564.61	527.52
Deferred Tax Liability (Net)	-	-

**3.1** 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 4: Other long-term Liabilities**

Particulars	As at 31st Mar, 2017	As at 31st Mar, 2016
	Rs. In Lakhs	Rs. In Lakhs
Others:		
(a) Trade / security deposits received from dealers	46.50	95.07
<b>Total</b>	<b>46.50</b>	<b>95.07</b>

**Note 5: Long-term provisions**

Particulars	As at 31st Mar, 2017	As at 31st Mar, 2016
	Rs. In Lakhs	Rs. In Lakhs
Provision for employee benefits:		
(i) Provision for compensated absences	0.45	0.41
(ii) Provision for gratuity	12.84	11.11
<b>Total</b>	<b>13.29</b>	<b>11.52</b>

**5.1 Details of Long-term Provisions**

Particulars	Opening	Addition/(Deletion)	Closing
(i) Compensated Absences	0.41	0.04	0.45
(ii)Gratuity	11.11	1.73	12.84

**Note 6: Short-term Borrowings**

Particulars	As at 31st Mar,2017	As at 31st Mar,2016
	Rs. In Lakhs	Rs. In Lakhs
Loans repayable on demand		
-From banks		
Secured	-	16.34
	-	16.34
Interest free loan from related patry, unsecured		
- From Directors	4,146.48	3,114.41
- From other companies	-	234.65
<b>Total</b>	<b>4,146.48</b>	<b>3,365.40</b>

**6.1** Details of security for the secured short-term borrowings:

Particulars	Nature of security	As at 31st Mar, 2017	As at 31st Mar, 2016
		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
<b>Total - from banks</b>		<b>-</b>	<b>16.34</b>

**6.2** 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 7:Trade Payables**

Particulars	As at 31st Mar,2017	As at 31st Mar,2016
	Rs. In Lakhs	Rs. In Lakhs
Trade payables (including Acceptances)		
Related parties	-	-
Others		
(i) Micro, Small and Medium enterprises [Refer Note. 28.09]	-	-
(ii) Others	105.18	947.20
<b>Total</b>	<b>105.18</b>	<b>947.20</b>

**Note 8: Other Current Liabilities**

Particulars	As at 31st Mar, 2017	As at 31st Mar, 2016
	Rs. In Lakhs	Rs. In Lakhs
(a) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, etc) VAT, Service Tax, etc.)	24.93	36.47
(b) Payables on purchase of fixed assets	-	-
(c) Advances from customers	499.49	544.52
(d) Dues to employees and others	161.42	191.09
(e) Others	7.77	0.13
<b>Total</b>	<b>693.61</b>	<b>772.21</b>

**Note 9: Short-Term Provisions**

Particulars	As at 31st Mar, 2017	As at 31st Mar, 2016
	Rs. In Lakhs	Rs. In Lakhs
(a) Provision for employee benefits:		
(i) Provision for compensated absences	0.19	0.12
(ii) Provision for gratuity	0.89	2.09
<b>Total</b>	<b>1.08</b>	<b>2.21</b>

**9.1 Details of Short-term Provisions**

Particulars	Opening	Addition/(Deletion)	Closing
(i) Compensated Absences	0.12	0.07	0.19
(ii) Gratuity	2.09	(1.20)	0.89

## Note 10 Fixed Assets

Rs. In Lakhs

Sl. No.	Tangible assets	Gross Block			Accumulated Depreciation and Impairment				Written Down Value	
		"Balance as at 1 April, 2016	Additions/ Adjustments	Disposals	Balance as at 31st Mar, 2017	Balance as at 1 April, 2016	Depreciation / amortisation expense for the year	Eliminated on disposal of assets/ adjustments	Balance as at 31st Mar, 2017	Balance as at 31st Mar, 2016
1	Land									
	Freehold	65.11	-	-	65.11	-	-	-	-	65.11
2	Buildings									
	Own use	1,243.53	-	32.95	1,210.58	38.56	9.85	423.04	787.54	849.20
3	Plant and Equipment									
	Owned	10,004.31	-	-	10,004.31	648.49	-	6,703.91	3,300.40	3,948.89
4	Furniture and Fixtures									
	Owned	68.27	-	-	68.27	3.37	-	67.70	0.57	3.94
5	Vehicles									
	Owned	42.12	-	-	42.12	0.02	-	42.12	-	0.02
6	Office equipment									
	Owned	75.49	-	-	75.49	-	-	75.49	-	-
7	Others									
	Owned	4.40	-	-	4.40	-	-	4.40	-	-
<b>Total</b>		<b>11,503.23</b>	<b>-</b>	<b>32.95</b>	<b>11,470.28</b>	<b>690.44</b>	<b>9.85</b>	<b>7,316.66</b>	<b>4,153.62</b>	<b>4,867.16</b>
<b>Previous year</b>										
<b>Capital Work in Progress</b>										
									196.14	196.14
										5,652.52



**Note 11 Long-Term Loans and Advances**

<b>Particulars</b>	<b>As at 31st Mar, 2017</b>	<b>As at 31st Mar, 2016</b>
	Rs. In Lakhs	Rs. In Lakhs
(a) Capital Advance - Land	-	-
(b) Security deposits (including Electricity Deposit)		
Unsecured, considered good	6.74	120.60
Unsecured, considered Doubtful	2.08	2.08
Less: Provision for Doubtful Deposits	(2.08)	(2.08)
<b>Total</b>	<b>6.74</b>	<b>120.60</b>

**Note 12: Inventories**

<b>Particulars</b>	<b>As at 31st Mar, 2017</b>	<b>As at 31st Mar, 2016</b>
	Rs. In Lakhs	Rs. In Lakhs
(a) Raw materials	68.43	68.43
(b) Work-in-progress	19.81	28.65
(c) Finished goods	102.96	161.75
(d) Stores and spares	160.37	160.37
<b>Total</b>	<b>351.57</b>	<b>419.20</b>

**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.

**Note 13: Trade Receivables**

<b>Particulars</b>	<b>As at 31st Mar, 2017</b>	<b>As at 31st Mar, 2016</b>
	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		
Related parties		
Others	19.44	56.22
Doubtful		
Related parties		
Others	-	7.25
	19.44	63.47
Less: Provision for doubtful trade receivables	0.00	-7.25
	19.44	56.22
Other Trade receivables		
Unsecured, considered good	-	
<b>Total</b>	<b>19.44</b>	<b>56.22</b>

**Note 14: Cash and Cash Equivalents**

Particulars	As at 31st Mar, 2017	As at 31st Mar, 2016
	Rs. In Lakhs	Rs. In Lakhs
(a) Cash on hand	-	4.80
(b) Balances with banks		
In current account	2.29	0.59
<b>Total</b>	<b>2.29</b>	<b>5.39</b>

Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November 2016 to 30th December 2016 is provided in the Table below:

			Amount in Rs.
	SBN	Other Denominations	Total
Closing cash in hand as on 08.11.2016		1,914.00	1,914.00
(+) Permitted Receipts	-	97,735.00	97,735.00
(-) Permitted Payments	-	65,949.00	65,949.00
(-) Amount deposited in banks	-	20,000.00	20,000.00
Closing cash in hand as on 30.12.2016	-	13,700.00	13,700.00

\* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India in the Ministry of Finance, Department of Economic Affairs number S.O.3407(E), dated the 8th November,2016.

**Note 15: Short-term Loans and Advances**

Particulars	As at 31st Mar, 2017	As at 31st Mar, 2016
	Rs. In Lakhs	Rs. In Lakhs
Unsecured, Considered good		
(a) Loans and advances to employees	0.00	2.25
(b) Prepaid Expenses	0.07	0.63
(c) CENVAT credit receivable	123.57	188.82
(d) Service Tax credit receivable	67.04	0.00
(e) Refund of income tax recoverable	3.12	1.65
(f) Advance to suppliers	0.00	0.78
<b>Total</b>	<b>193.80</b>	<b>194.13</b>

**Note 16: Other Current Assets**

Particulars	As at 31st Mar, 2017	As at 31st Mar, 2016
	Rs. In Lakhs	Rs. In Lakhs
Accruals		
Interest accrued on deposits	0.36	1.48
<b>Total</b>	<b>0.36</b>	<b>1.48</b>

**Note 17: Revenue from Operations**

Particulars	As at 31st Mar, 2017	As at 31st Mar, 2016
	Rs. In Lakhs	Rs. In Lakhs
(a) Sale of Products		
Virtrified Tiles	20.63	31.01
Feldspar and Quartz lumps	3.27	279.67
(b) Other Operating Revenue		
Others	2.06	8.60
<b>Total</b>	<b>25.96</b>	<b>319.28</b>

**Note 18: Other Income**

Particulars	As at 31st Mar, 2017	As at 31st Mar, 2016
	Rs. In Lakhs	Rs. In Lakhs
(a) Interest income	0.65	1.48
(b) Net gain on foreign currency transactions and translation	-	0.87
(c) Unclaimed balances written back	1.77	16.14
(d) Profit on Sales of Fixed Assets	120.90	-
(e) Other Income	-	2.27
<b>Total</b>	<b>123.32</b>	<b>20.76</b>

**Note 19: Cost of Raw Materials Consumed**

Particulars	As at 31st Mar, 2017	As at 31st Mar, 2016
	Rs. In Lakhs	Rs. In Lakhs
Opening stock	228.80	258.95
Add: Purchases	10.10	254.64
	238.90	513.59
Less: Closing stock	228.80	228.80
Cost of material consumed	10.10	284.79

19.1 Cost of Rawmaterials consumed comprise;

Particulars	UOM	2017		2016	
		Quantity	Value Rs Lacs	Quantity	Value Rs Lacs
(i) Ball Clay/Fledspar/Quartz etc.	Tonnes	363.04	10.10	41,582.000	279.79
(ii) Ceramic Mixture	Tonnes	-	-	-	-
(iii) Others	Tonnes	-	-	-	5.00
<b>Total</b>			<b>10.10</b>		<b>284.79</b>

19.2 Of the above consumption indogenous items constitute 100% ( 2016 : 100%)

19.3 Of the above consumption of Rs 10,09,813 the amount represents the Cost of Mining of Raw Material Sold

**Note 20: Purchase of Traded goods**

Particulars	As at 31st Mar, 2017	As at 31st Mar, 2016
	Rs. In Lakhs	Rs. In Lakhs
Unglazed fully vitrified ceramic Tiles	0.29	0.75
	0.29	0.75

**Note 21: Changes in Inventories of Finished Goods and Work-in-Progress**

Particulars	As at 31st Mar, 2017	As at 31st Mar, 2016
	Rs. In Lakhs	Rs. In Lakhs
Inventories at the end of the year:		
Finished goods	102.96	161.74
Work-in-progress	19.81	28.65
	122.77	190.39
Inventories at the beginning of the year:		
Finished goods	161.74	197.07
Work-in-progress	28.65	30.18
	190.39	227.25
Excise duty on Movement in Finished goods	(6.03)	(2.35)
	61.59	34.51
Less: Written down in the value of stock	(40.34)	0.00
Net (increase) / decrease	21.25	34.51

**Note 22: Employee Benefits Expense**

Particulars	As at 31st Mar, 2017	As at 31st Mar, 2016
	Rs. In Lakhs	Rs. In Lakhs
Salaries, Wages and Bonus	45.52	64.41
Contributions to provident and other funds	1.71	2.20
Gratuity	0.53	2.09
Staff welfare expenses	2.99	2.53
<b>Total</b>	<b>50.75</b>	<b>71.23</b>

**Note 23: Finance Costs**

	As at 31st Mar, 2017	As at 31st Mar, 2016
Interest expense on:		
(i) Working Capital	2.97	24.30
(ii) Others - Bank Charges	0.07	1.84
<b>Total</b>	<b>3.04</b>	<b>26.14</b>

**Note 24: Depreciation and Amortisation Expense**

Tangible assets	As at 31st Mar, 2017	As at 31st Mar, 2016
	Rs. In Lakhs	Rs. In Lakhs
(a) Buildings		
Own use	38.56	38.64
(b) Plant and Equipment		
Owned	648.49	739.64
(c) Furniture and Fixtures		
Owned	3.37	4.44
(d) Vehicles		
Owned	0.02	1.90
(e) Office equipment		
Owned	-	0.74
<b>Total</b>	<b>690.44</b>	<b>785.35</b>

**Note 25: Power and Fuel**

Particulars	As at 31st Mar,2017	As at 31st Mar, 2016
	Rs. In Lakhs	Rs. In Lakhs
Power	9.28	12.12
<b>Total</b>	<b>9.28</b>	<b>12.12</b>

**Note 26: Other Expenses**

Particulars	As at 31st Mar, 2017	As at 31st Mar, 2016
	Rs in Lakhs	Rs in Lakhs
Consumption of stores and spare parts	-	-
Consumption of packing materials	-	-
Raw Material Procurement expenses	-	-
Rent	0.82	1.90
Repairs and maintenance - Buildings	-	-
Repairs and maintenance - Machinery	-	-
Repairs and maintenance - Others	0.73	1.70
Insurance	0.90	1.17
Rates and taxes	2.14	29.39
Rates and taxes - provision written back	-	-
Communication	1.35	1.05
Provision for Doubtful debts	-	-
Freight and forwarding	-	-
Sales commission	0.10	-
Sales discount	-	-

Particulars	As at 31st Mar, 2017	As at 31st Mar, 2016
	Rs in Lakhs	Rs in Lakhs
Advertisement	0.25	0.56
Business promotion	0.31	0.42
Legal and professional	2.98	12.21
Payments to auditors	4.00	4.06
Bad Debts Written off	0.00	0.01
Directors Sitting Fees	1.58	2.01
Vehicle expenses	3.37	3.39
Security Charges	-	
Listing Fees	4.75	3.50
AGM Expenses	7.38	7.09
Electricity charges	0.06	0.18
Creditors write back reversal	-	12.31
Miscellaneous expenses	1.26	0.71
<b>Total</b>	<b>31.98</b>	<b>81.66</b>

**26.1** Payments to the auditors comprises :

Particulars	As at 31st March, 2017	As at 31st March, 2016
	Rs in Lakhs	Rs in Lakhs
a. Towards Statutory Audit	3.50	3.50
<b>b. Towards Tax Audit</b>	<b>0.50</b>	<b>0.56</b>
<b>Total</b>	<b>4.00</b>	<b>4.06</b>

**26.2** Payments to Directors Sitting Fees:

Particulars	As at 31st March, 2017	As at 31st March, 2016
	Rs in Lakhs	Rs in Lakhs
<b>(a) Board Meeting expenses</b>		
Mr.T.S.Seetharaman	0.28	0.35
Mr.N.S.Ramachandran	0.14	0.28
Mr.G.Padmanabhan	0.21	0.21
Mr.N.Gopalakrishnan		0.21
Mr. N.S.Mani	0.35	0.28
Mr.Kaushik Shah	0.14	
<b>(b) Audit Committee expenses</b>		
Mr.T.S.Seetharaman	0.08	0.08
Mr.N.S.Ramachandran	0.04	0.08
Mr.G.Padmanabhan	0.06	0.06
Mr.N.Gopalakrishnan		0.06
Mr. N.S Mani	0.10	0.06
Mr.Kaushik Shah	0.02	

Particulars	As at 31st March, 2017	As at 31st March, 2016
	Rs in Lakhs	Rs in Lakhs
<b>(c) Out of Pocket expenses</b>		
Mr.T.S.Seetharaman	0.04	0.05
Mr.N.S.Ramachandran	0.02	0.04
Mr.G.Padmanabhan	0.03	0.03
Mr.N.Gopalakrishnan		0.03
Mr. N.S Mani	0.05	0.04
Mr.Kaushik Shah	0.02	
<b>(d) Share Transfer committee expenses</b>		
Mr.N.S.Ramachandran	0.10	0.15
	1.68	2.01

**Note 27**

<b>27.01</b>	<b>Contingent liabilities</b>
	(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.
	(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.
<b>27.02</b>	<b>Going concern Assumption</b>
	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.
<b>27.03 a</b>	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.
<b>27.03 b</b>	Exceptional Item for the year ended March 31, 2017 comprises the following:
	a) Inventory Write down- Rs. 40.34 lakhs; b) Interest on Statutory dues Rs. 6.55 lakhs; and c) Sales tax demands Rs. 31.94 lakhs. For the year ended 31.03.2016 Disputed Sales Tax and Penalty/ Interest on belated remittance of Provident fund is for Rs.44.27 lakhs

## 27.04 a) Defined benefit plans - As per Actuarial valuation on March 31, 2017 Rs. In Lakhs

	Gratuity				Compensated Leave absences					
	2017	2016	2015	2014	2013	2014	2015	2016	2017	
<b>A Expense recognised in the statement of Profit and Loss Account for the year ended March 31, 2017</b>				NA						NA
1 Current service cost	0.52	0.30	0.37		4.28		0.12	-	0.37	3.03
2 Interest cost	0.26	0.22	1.06		2.87		0.04	0.04	0.90	1.22
3 past service cost(Vested benefits)	-	-	-		-		-	-	-	-
4 Net actuarial (gain) / loss recognised during the year	(0.26)	0.19	(11.85)		3.36		(0.05)	(0.02)	(11.99)	(10.36)
Past service cost										
5 Total expense	0.52	0.70	(10.42)		10.51		0.11	0.02	(10.72)	(6.11)
<b>B Actual return on plan assets</b>				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	-	-					-	-		-
<b>C Net Asset/ (Liability) recognised in the Balance Sheet</b>				NA						NA
1 Present value of the obligation	4.03	3.51	2.80		35.29		0.64	0.53	0.52	(5.01)
2 Fair value of plan assets	-	-	-		-		-	-	-	-
3 Funded status [ surplus/ (deficit)]	-	-	-		-		-	-	-	-
4 Net Asset/ (Liability) recognised in the Balance Sheet	(4.03)	(3.51)	(2.80)		(35.29)		(0.64)	(0.53)	(0.52)	(5.01)
<b>D Change in Present value of the Obligation during the year</b>				NA						NA
1 Present value of obligation as at beginning of the year	3.51	2.80	13.23		40.77		0.53	0.52	11.24	16.64
2 Current service cost	0.52	0.30	0.37		4.28		0.12	-	0.37	3.03
3 Interest cost	0.26	0.22	1.06		2.87		0.04	0.04	0.90	1.22
4 Benefits paid	-	-	-		(15.99)		-	-	-	(5.52)



	Gratuity						Compensated Leave absences						
	2017	2016	2015	2014	2013		2017	2016	2015	2014	2013		
5 Past service cost(vested benefits)	-	-	-	-	-	-	-	-	-	-	-	-	-
6 Actuarial (gain) / loss on obligation	(0.26)	0.19	(11.85)		3.36		(0.05)	(0.02)	(11.99)		(10.36)		
7 Present value of obligation as at end of the year	4.03	3.51	2.80		35.29		0.64	0.53	0.52		5.01		
<b>E Change in Assets during the year</b>				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	-	-	-		-		-	-	-		-		
<b>F Experience adjustments in</b>				NA						NA			
1 Plan liabilities - loss / (gain)	-	-	-		-		-	-	-		-		
2 Plan assets - (loss) / gain	-	-	-		-		-	-	-		-		
3 Experience gain/(loss) on obligation	0.39	(0.14)	(11.85)		3.36		0.07	(0.02)	(11.99)		10.36		
<b>G Major categories of plan assets as a percentage of total plan</b>	unfunded	unfunded	unfunded	NA	unfunded		unfunded	unfunded	unfunded	NA	unfunded		
<b>H Actuarial Assumptions</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>NA</b>	<b>2013</b>		<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>NA</b>	<b>2013</b>		
Discount rate (in percentage)	6.69	7.46	8.00		8.00		6.69	7.46	8.00		8.00		
Salary escalation (in percentage)	3.00	3.00	3.00		3.00		3.00	3.00	3.00		3.00		

The estimates of future salary increases by the actuary have reckoned inflation, seniority, promotion and other relevant factors.

The company makes provident fund contribution which is defined contribution plan for qualifying employees. Under the schemes, the company is required to contribute a specified percentage of the payroll costs to fund the benefit. The Company has recognised the following contributions in the statement of profit and loss which are at rates specifies in the rules of the respective schemes Provident fund contribution for the year ended March 31, 2017 is Rs.1.71 lakhs (March 31, 2016 is Rs.2.20 lakhs)

## 27.05 Segment Information

The Company's primary segment is identified as business segment based on nature of Products, risks, returns and the internal business reporting system. The Company is operating in only a single business segment viz. vitrified tiles. Sales include Feldspar, a raw material used in vitrified tiles.

## 27.06 Related party disclosure

	As at 31st March, 2017	As at 31st March, 2016
	Rs. In Lakhs	Rs. In Lakhs
<b>A. Related Party Relationship</b>		
a) Companies under Common Control		
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		
Mr. Subba Rao Maddula- Chief Financial Officer		
Ms. Rekha Singh- Compliance Officer and Company Secretary		
Ms. Bharathi Rathod- Director		
<b>B. Related Party transactions and outstanding balances:</b>		
(i) Companies under Common Control		
Bell Granito Ceramica Ltd		
a) Purchase of Materials	0.29	0.75
b) Sale of Raw materials	5.27	294.03
c) Advance/current Account -Balance	386.61	1187.56
d) Short-term loan - Balance	-	234.65
(ii) Key management Personnel		
Mr. Tribhuvan Simh Rathod		
a) Remuneration	10.02	30.00
b) Remuneration Payable	67.29	57.27
c) Gratuity	9.69	9.69
d) Loan Outstanding	3211.97	3114.41
Mr. Subba Rao Maddula		
a) Remuneration	1.52	1.95
b) Remuneration payable	3.47	1.95

		As at 31st March, 2017	As at 31st March, 2016
		Rs. In Lakhs	Rs. In Lakhs
	Ms. Rekha Singh		
	a) Remuneration	1.42	1.02
	b) Remuneration payable	0.13	-
	Ms. Bharathi Rathod		
	Loan outstanding	936.00	-

<b>27.07</b>	<b>Basic and Diluted earnings per share</b>		
	Loss after taxation as per Statement of Profit and Loss in Rs. Lakhs	(748.87)	(1006.72)
	Weighted average number of equity shares outstanding in nos. lakhs	982.79	982.79
	Par value of equity share Rs.	10.00	10.00
	Basic and Diluted earnings per share Rs.	(0.76)	(1.02)

<b>27.08</b>	The circularisation of balances of customers/suppliers is in progress.		
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<b>27.09</b>	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.		
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<b>27.10</b>	The provisions of CSR is not applicable to the company for the financial years 2016-17 and 2015-16		
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<b>27.11</b>	Previous year’s figures have been regrouped / reclassified wherever necessary to correspond with the current year’s classification.		
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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

**N SUBRAMANIAN**  
Director  
DIN:02577983

**Place :** Chennai  
**Date :** May 27, 2017

**M.SUBBARAO**  
Chief Financial Officer

**REKHA SINGH**  
Company Secretary

## 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 ensure.

## **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 and on behalf of the Board****For M.S. KRISHNASWAMI & RAJAN**

Chartered Accountants  
Firm Registration No.01554S

**TRIBHUVAN SIMH RATHOD**

Managing Director  
DIN:01996833

**N SUBRAMANIAN**

Director  
DIN:02577983

**M S MURALI**

Partner  
Membership No.26453

**M.SUBBARAO**

Chief Financial Officer

**REKHA SINGH**

Company Secretary

**Place :** Chennai

**Date :** 27th May 2017



## 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 31th Annual general meeting of the company on Thursday, September 21st 2017 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 2016-17 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 2016-17 and notice of the Annual general meeting (AGM) along with Attendance 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 31st Annual General Meeting of the Company, to be held on 21st September 2017 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 2017	<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 a Director in place of Smt. Bharathi Nalin Rathod (DIN: 02587701) who retires by rotation and is eligible for reappointment	<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.	Authority to borrow in excess of the paid up capital and reserves	<input type="checkbox"/>	<input type="checkbox"/>
6.	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