

RESTILE CERAMICS LIMITED

Regd. Office : Malkapur Village, Narsapur Taluq, Medak Dist.. A.P.

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER 2014

| | | Rs. Lakhs | | | | | |
|-----|--|--------------------|-----------------|-----------------|-------------------|-----------------|---------------------|
| | | Three months ended | | | Nine months ended | | Previous year ended |
| | | 31.12.2014 | 30.09.2014 | 31.12.2013 | 31.12.2014 | 31.12.2013 | 31.03.2014 |
| | | Unaudited | | | | Audited | |
| 1. | Part-I Income from Operations | | | | | | |
| a. | Net Sales / Income from operations (net of Excise Duty) | 6.87 | 21.89 | 111.68 | 62.22 | 297.07 | 420.92 |
| b. | Other Operating Income | 9.26 | 13.00 | - | 38.89 | - | - |
| | Total Income from operations(net) | 16.13 | 34.89 | 111.68 | 101.11 | 297.07 | 420.92 |
| 2. | Expenses | | | | | | |
| a. | Cost of Materials consumed | 3.56 | 1.17 | 29.51 | 4.73 | 80.30 | 115.09 |
| b. | Purchase of Stock in Trade-trading Goods | 0.01 | 0.03 | - | 0.06 | - | - |
| c. | Changes in inventories of finished goods,work in progress and stock-in-trade [Refer Note 5] | (2.27) | 25.47 | 6.63 | 50.96 | 70.60 | 211.79 |
| d. | Rawmaterial Procurement Expenses-Net | (1.94) | (2.89) | - | (2.32) | - | 32.18 |
| | | (0.64) | 23.78 | 36.14 | 53.43 | 150.90 | 359.06 |
| e. | Employee benefits expense | 17.45 | 17.82 | 59.58 | 67.17 | 189.64 | 265.08 |
| f. | Depreciation and amortisation expenses | 211.57 | 211.05 | 144.69 | 634.72 | 432.50 | 573.48 |
| g. | Rent | 0.24 | 0.04 | 0.36 | 0.64 | 1.81 | 2.17 |
| h. | Power and Fuel | 3.56 | 20.04 | 74.32 | 52.40 | 148.80 | 178.92 |
| i. | Other Expenses | 18.13 | 11.94 | 24.16 | 43.86 | 50.86 | 60.27 |
| | Total Expenses | 250.32 | 284.67 | 339.25 | 852.23 | 974.51 | 1,438.98 |
| 3. | Profit/(Loss) from operations before other income, finance costs and exceptional items (1-2) | (234.19) | (249.77) | (227.57) | (751.12) | (677.44) | (1,018.06) |
| 4. | Other income | 0.71 | - | 0.13 | 5.47 | 2.27 | 7.38 |
| 5. | Profit/(Loss) from ordinary activities before finance costs and exceptional items (3+4) | (233.48) | (249.77) | (227.44) | (745.65) | (675.17) | (1,010.68) |
| 6. | Finance Costs | 19.33 | 28.34 | 32.56 | 71.92 | 79.66 | 109.85 |
| 7. | Profit/(Loss) from ordinary activities after finance costs but before exceptional items (5-6) | (252.81) | (278.11) | (260.00) | (817.57) | (754.83) | (1,120.53) |
| 8. | Exceptional items (Refer note-2) | 4.80 | - | - | 33.75 | 22.18 | 154.08 |
| 9. | Profit/(Loss) from ordinary activities before tax (7-8) | (257.61) | (278.11) | (260.00) | (851.32) | (777.01) | (1,274.61) |
| 10. | Tax expense - Current Tax(Refer note-3) - Deferred Tax(Refer note-3) | - | - | - | - | - | - |
| 11. | Net Profit/(Loss) from ordinary activities after tax (9-10) | (257.61) | (278.11) | (260.00) | (851.32) | (777.01) | (1,274.61) |
| 12. | Extraordinary item (net of tax) | - | - | - | - | - | - |
| 13. | Net profit/(Loss) for the period (11-12) | (257.61) | (278.11) | (260.00) | (851.32) | (777.01) | (1,274.61) |
| 14. | Paid-up equity share capital (Face value per share Re.10) | 9,827.92 | 9,827.92 | 9,827.92 | 9,827.92 | 9,827.92 | 9,827.92 |
| 15. | Reserves excluding Revaluation reserve as per Balance Sheet of previous accounting year | | | | | | (7,059.50) |
| 16. | Basic and Diluted earnings per Share (EPS) (Rs.) | (0.26) | (0.28) | (0.26) | (0.87) | (0.79) | (1.30) |



RESTILE CERAMICS LIMITED

CIN: L26931TG1986PLC006480

Regd. Office & Works : Malkapur Village, Hatnoora Mandal, (Via) Ismail Khan Pet, Medak Dist - 502 296. A.P. India

Tel : +91-8458-288772, Fax : +91-8458-288502

Branch Office : D. No. 1-10-177, 5th Floor, Varun Towers, Opp. Hyderabad Public School, Begumpet, Hyderabad - 500 016.

E-mail: contact@restile.com, works@restile.com, Website: www.restile.com



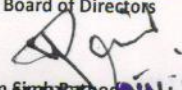
| Part II | | | | | | |
|-----------------------------|-------------------------------------|------------|------------|------------|------------|------------|
| Particulars of Shareholding | | | | | | |
| 1 | Public shareholding | | | | | |
| - | Number of shares | 27,163,331 | 27,163,331 | 27,163,331 | 27,163,331 | 27,163,331 |
| - | Percentage of shareholding | 27.64 | 27.64 | 27.64 | 27.64 | 27.64 |
| 2 | Promoter shareholding | | | | | |
| a. | Pledged / Encumbered | | | | | |
| - | Number of shares | - | - | - | - | - |
| - | Percentage of promoter shareholding | - | - | - | - | - |
| - | Percentage of total share capital | - | - | - | - | - |
| b. | Non-encumbered | | | | | |
| - | Number of shares | 71,115,908 | 71,115,908 | 71,115,908 | 71,115,908 | 71,115,908 |
| - | Percentage of promoter shareholding | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| - | Percentage of total share capital | 72.36 | 72.36 | 72.36 | 72.36 | 72.36 |

**THREE MONTHS ENDED
31.12.2014**

| Particulars | | | | | | |
|-------------|--|-----|--|--|--|--|
| B. | Investor Compliant | | | | | |
| a. | Pending at the beginning of the quarter | Nil | | | | |
| b. | Received during the quarter | Nil | | | | |
| c. | Disposed during the quarter | Nil | | | | |
| d. | Remaining unsolved at the end of the quarter | Nil | | | | |

- Notes :**
- The above Financial Results were reviewed by the Audit Committee and then approved by the Board of Directors at the meeting held on 7th February, 2015
 - (i) The Draft Modified Rehabilitation Scheme with regard to merger of certain associate companies with the company effective April 1, 2014 as approved by the members is pending with the Board for Industrial and Financial Reconstruction (BIFR).
 - (ii) As part of the merger plans and restructuring of operations, a separation scheme for workers at factory was announced in the last quarter of the financial year 2014 and all the workers at the factory have opted to separate under the said scheme. Even earlier, the company had assisted employees who wished to separate from employment with the company. All dues to the aforesaid separating employees have been fully settled. Considering the nature and amounts involved, additional amounts paid towards settlement is reflected as " Exceptional Item" for the nine months ended December 31, 2013 and year ended March 31, 2014.
 - (iii) For the quarter ended 31.12.2014 and nine months ended December, 31, 2014 Exceptional Item represents disputed excise duty and sales tax dues discharged.
 - There is no Current Tax expense for the Quarter/ Year in view of admissible deductions/allowances . Accrual of Deferred tax asset has been restricted to quantum of deferred tax liability and comprises timing difference on account of unabsorbed depreciation.
 - (i) The Auditors have qualified the financial statements for the year ended March 31, 2014 and their Limited Review Report for the nine months ended December 31, 2014 regarding adoption of Going Concern principles in drawing up the financial statements for the said year/Statement of Unaudited Financial Results for the said period , non-recognition of estimated impairment in value of Building (Rs.522.17 lakhs) and Plant and Machinery (Rs.119.87 lakhs) and provision for gratuity and leave encashment for the said year/period not being made as per actuarial valuation.
The issue of negative operating cash flows and incurrence of operating losses over the years highlighted by Auditors are being addressed through proposed restructuring of operations and merger with another company which is pending approval of BIFR. Under the rehabilitation scheme sanctioned by BIFR in 2002, a reserve of Rs.754.44 Lakhs had been created (upon capital reduction) towards adjustment of identified impairment in value of fixed assets. Steps have been initiated to adjust the impairment in value against the reserve with the approval of BIFR. The settlement of workers during the earlier year means that the actuarial valuation of employee benefits for remaining few employees would not be materially different from that provided for. In the circumstances and considering the revised useful life being adopted from Financial year 2014-15 indicated in (ii) below the qualification made by the Auditors would get addressed.
 - (ii) The company had reworked the depreciation during quarter ended June 30, 2014, in respect of fixed assets whose economic useful lives are longer than that prescribed in Schedule II to the Companies Act, 2013 ('Act'), to comply with the provisions thereof. Accordingly, the unamortized depreciable amounts as at April 1, 2014 of such fixed assets are charged over the remaining useful life as prescribed under Schedule II. As a result, the depreciation charged for the quarter ended September 30, 2014 and that for the quarter ended December 31, 2014 is higher by Rs. 69.08 lakhs and Rs.69.08 lakhs respectively. For the nine months ended December 31, 2014 the said higher depreciation is Rs.207.24 lakhs. The written down value of fixed assets whose revised lives have expired as at April 1, 2014 as a consequence of application of useful life prescribed in schedule II would be appropriately dealt with after considering Capital reduction Reserve earmarked under BIFR Scheme in 2002 for Impairment in value of assets and referred to in (i) above upon approval by BIFR.
 - The proposed restructuring entails continuation of certain high-end products and discontinuance of some of the existing range. Consequently, the management has taken steps to clear a major portion of the older range of products at a lower rate during the year ended March 31, 2014 incurring an estimated loss of Rs.38.52 lakhs. This has been followed by a write down in value of such materials in stock to the extent of Rs.48.20 lakhs during the said year, both of which are reflected in the aforesaid Results for the year ended March 31, 2014 as 'changes in inventories'.
 - 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
 - Other expenses for nine months ended December, 31, 2014 includes freight expenditure of Rs.2.37 Lakhs relating to prior year.
 - The Previous year/period figures have been regrouped wherever necessary.

For and on behalf of the Board of Directors



RESTILE CERAMICS LIMITED CIN: L26931AP1986PLC006480
Managing Director

Place : Chennai
Date : 7th February, 2015

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