



# **Restile Ceramics Limited**

*35<sup>th</sup> Annual Report 2020-21*

## BOARD OF DIRECTORS

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Sri Nalinkant Amratlal Rathod	-Chairman
Sri Viren Rathod	- Managing Director
Sri.Ramachandran N.S	- Independent Director
Sri N S Mani	- Independent Director
Sri.Seetharaman T R	- Independent Director
Sri G. Padmanabhan	- Independent Director
Smt Bharathi Rathod	- Women Director
Smt Shruthi Rathod	- Director
Sri Yash Kaushik shah	- Independent Director
Sri K.Rajendra Prasad	- Nominee Director –APIDC

## KEY MANAGERIAL PERSONS

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Mr. Tribhuvan Simh Rathod	- Chief Financial Officer
Mr. Ravi kiran sukumar	- Company Secretary & Compliance Officer

## SHAREHOLDERS' INFORMATION

<b>35<sup>th</sup> Annual General Meeting</b>	Date:- 25 <sup>th</sup> August, 2021
	Day:- Wednesday
	Time:- 12.00 Noon
	Through Video Conferencing (“VC”) /Other Audio Visual Means (“OAVM”)

<b>Statutory Auditors</b>	M/s. R. Sundararajan & Associates,
<b>Secretarial Auditors</b>	Mr.Niraj Trivedi, Practicing Company Secretary

<b>Bankers</b>	a) State Bank of India SME Adyar Chennai-600020
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<b>Factory Location</b>	Malkapur Village, HatnooraMandal, Narsapur Taluk, Medak District-502 296, Telangana
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<b>Website</b>	<a href="http://www.restile.com">www.restile.com</a>
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<b>CIN</b>	L26931GJ1986PLC102350
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<b>Book Closure Date</b>	19/08/2021 to 25/08/2021 (Both days inclusive)
<b>Listing</b>	<b>Bombay Stock Exchange Ltd</b>
<b>ISIN NO</b>	INE298E01022
<b>Stock Code</b>	515085
<b>E-voting Dates</b>	21/08/2021 to 24/08/2021
<b>Registrars &amp; Share Transfer Agents</b>	M/s. Cameo Corporate Services Ltd, Subramanian Building”, 1- Club House Road, Chennai 600 002.Telephone No: 04428460390.
<b>Registered Office</b>	204, Sakar Complex, Opp ABS Tower, Vaccine Crossing, Old Padra Road, Vadodara GJ 390015 India.

## NOTICE

**NOTICE** is hereby given that the **Thirty Fifth (35<sup>th</sup>)** Annual General Meeting (AGM) of the Members of **Restile Ceramics Limited ('the Company')** will be held on **Wednesday, the 25<sup>th</sup> August 2021** at 12:00 noon (IST) through Video Conferencing ("VC") or Other Audio-Visual Means ("OAVM") to transact the following businesses:

### ORDINARY BUSINESS

1. To receive, consider and adopt the
  - a) The Audited Financial Statement of the Company for the Financial year ended March 31<sup>st</sup>, 2021 and the report of the Board of Directors and Auditors thereon;
2. To appoint a Director in place of Ms. Shruti Rathod (DIN: 01948999), who retires by rotation and being eligible, offers herself for re-appointment.

### SPECIAL BUSINESS

#### 3. Authority to borrow in excess of the paid-up share Capital and Reserves of the Company

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 34<sup>th</sup> Annual General Meeting, the Board of Directors of the company be and are hereby authorized in accordance with the provisions of Sec.180(1)( c ) and other applicable provisions if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), 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 ordinary course of business) up to a limit of Rs.50 crores (Rupees Fifty Crores only) in excess of the aggregate of the paid-up share capital and free reserves, that is to say, reserve not set apart for any specific purpose.

**"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."

#### 4. 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 earlier resolution passed at the previous 34<sup>th</sup> 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 a limit of borrowings of Rs.50 crores (Rupees Fifty Crores only) in excess of the aggregate of the paid-up share capital and free reserves, that is to say, reserve not set apart for any specific purpose 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.”

#### 5. Approval for Related Party Transactions

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

**“RESOLVED THAT** pursuant to the provisions of Section 188 of the Companies Act, 2013 (“Act”) and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and the Company’s policy on Related Party transaction(s), approval of Shareholders be and is hereby accorded to the Board of Directors of the Company to enter into contract(s)/ arrangement(s)/ transaction(s) with Bell Granito Ceramics Ltd., a related party within the meaning of Section 2(76) of the Act, for purchase of verified tiles, on such terms and conditions as the Board of Directors may deem fit, up to a maximum aggregate value of Rs.500 lakhs for the financial year 2021-22, provided that the said contract(s)/ arrangement(s)/ transaction(s) so carried out shall be at arm’s length basis and in the ordinary course of business of the Company.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company and to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution.”

By Order of the Board of Directors

Sd/-

Place: Chennai

Date:22.06.21

Nalinkant Amratlal Rathod

(DIN 00272129)

Chairman

## NOTES

1. In view of the prevailing COVID-19 pandemic, the Ministry of Corporate Affairs (the “MCA”) vide its General Circulars No. 14/2020, No. 17/2020 and No. 20/2020 dated April 8, 2020, April 13, 2020 and May 5, 2020 respectively and 2/21 dated 13<sup>th</sup> January 2021 (hereinafter, collectively referred as the “MCA Circulars”) read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 (Collectively referred to as ‘SEBI Circulars’), have permitted the holding of Annual General Meetings through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”), without the physical presence of the Members at a common venue. In compliance with the provision of the Companies Act, 2013 (‘the Act’), amended SEBI (listing Obligation and Disclosure Requirements) Regulations, 2015 (SEBI listing Regulations, 2015”) and MCA Circulars, the AGM of the Company will be held through VC/OAVM.
2. Since this AGM is being held through VC/OAVM, pursuant to MCA Circulars, physical attendance of the members has been dispensed with. **Accordingly, the facility for appointment of proxies by the members will not be available for the AGM. Hence the proxy Form, Attendance Slip and Route Map are not annexed to this Notice.**
3. The Explanatory Statement pursuant to Section 102(1) of the Act, with respect to the Ordinary/ Special Business to be transacted at the meeting set out in the Notice is annexed hereto. The brief details of the persons seeking appointment / re-appointment as Director as required under Regulation 36 (3) of SEBI Listing Regulations, 2015 and Secretarial Standard on General Meetings issued by The Institute of Company Secretaries of India as approved by the Central Government, is also annexed to this Notice.
4. Participation of members through VC will be reckoned for the purpose of quorum for the AGM as per section 103 of the Act.
5. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC. Corporate members intending to authorize their representatives to participate and vote at the meeting are requested to send a certified copy of the Board resolution / authorization letter to the Company on its registered email address to [restile@accountscare.com](mailto:restile@accountscare.com). or upload on the VC portal / e-voting portal.
6. All documents referred to in the Notice will also be available electronic for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Member seeking to inspect such documents can send a request from their registered Email id mentioning their name, DP ID and Client ID/ Folio No., PAN, Mobile No. to the Company at [restile@accountscare.com](mailto:restile@accountscare.com).
7. The Register of Members and the Share Transfer Books of the Company will remain closed from 19<sup>th</sup> August, 2021 to 25<sup>th</sup> August, 2021 (Both days inclusive), for the purpose of AGM.
8. The Company has fixed Wednesday, August 18, 2021 as Cut-off-date (Record Date) for determining entitlement for remote e-voting as well as e-voting of shareholders holding shares in

physical or dematerialized form.

9. Members are requested to note that the Company's equity shares are under compulsory demat trading for all class of investors, as per the provisions of the SEBI Circular dated May 29, 2000. Members are therefore advised in their own interest to dematerialize their physical shareholding to avoid inconvenience and for better servicing by the Company.
10. As per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities are held in the dematerialized form with the depositories. With the said change coming into effect from April 1, 2019, Equity Shares of the Company shall be eligible for transfer only in Dematerialized form. Therefore, the Shareholders are requested to take action to dematerialize the Equity Shares of the Company, promptly.
11. Members holding shares in more than one folio in the same name(s) are requested to send the details of their folios along with the share certificates so as to enable the Company to consolidate their holdings into one folio.
12. The SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their self-attested PAN to their DP(s) with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their self-attested PAN details to the Company / Registrar.
13. As per the provisions of Section 72 of the Act and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, Members holding shares in physical form may file nomination in the prescribed Form SH - 13 with Registrar. In respect of shares held in demat form, the nomination form may be filed with the respective DP.
14. In compliance with the MCA Circulars and SEBI Circular dated January 15, 2021 read with Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose e-mail address is registered with the Company/ Depository Participants. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website [www.Restile.com](http://www.Restile.com) and websites of the Stock Exchanges, that is, BSE Limited at [www.bseindia.com](http://www.bseindia.com) and on the website of Company's Registrar and Transfer Agent, Cameo Corporate Services Ltd, at <https://cameoindia.com>
15. 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.
16. Members holding shares in physical form are requested to convert their holdings into Demat. The Company's Id with CDS (I) and NSDL is INE298E01022. The Company's Registrar and Share Transfer Agents are M/s Cameo corporate services ltd, "Subramanian Building", 1- Club House Road, Chennai 600002.
17. 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.

18. The shares of the Company are listed with Bombay Stock Exchange. The Listing Fee for the year 2020-2021 has been paid to Stock Exchange.
19. Shareholders 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.

### **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).

### **CDSL e-Voting System – For Remote e-voting and e-voting during AGM/EGM**

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio-visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship

Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
7. In continuation of this Ministry's General Circular No. 20/2020, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January,13,2021.

#### THE INSTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

- (i) The voting period begins on 21<sup>st</sup> August, 2021 and ends on 24<sup>th</sup> August, 2021. 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 Wednesday, 18<sup>th</sup> August, 2021 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) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

- (iv) Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.
- (v) In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.
- (vi) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.
- (vii) Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> The system will</li> </ol>

	<p>authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(viii) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on “Shareholders” module.
- 3) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) 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 e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
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PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</li> </ul>

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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 shareholders 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 Restile Ceramics Ltd 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) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed 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.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [restile@accountscare.com](mailto:restile@accountscare.com) (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

#### **INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at ([restile@accountscare.com](mailto:restile@accountscare.com)).  
The shareholders who do not wish to speak during the AGM but have queries may send their queries in



advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.

8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.



By Order of the Board of Directors

Sd/-

Nalinkant Amratlal Rathod

Chairman

( DIN 00272129)

Place: Chennai

Date: 22.06.21

**Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 forming part of the notice of 35<sup>th</sup> Annual General Meeting of the Company**

**Item Nos.3 & 4**

The Company may need to borrow in excess of paid-up share 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 of money (apart from temporary loans obtained from the company's bankers in the ordinary course of business) in excess of the aggregate of the paid-up share capital and free reserves and to create charge in favour of the Banks or Financial Institution on the properties of the company.

The Board recommends the resolutions for the approval by the shareholders of the Company as set out in the Notice.

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

**Item No.5**

To ensure stability of supplies in terms of quality and logistics, your Company proposes to enter into transaction(s) with Bell Granito Ceramica Ltd., (BGCL) which is the related party to your Company. The quantity to be purchased from BGCL will be based on actual price of tiles and conversion charge plus small margin for handling charges. The total value of the proposed transaction(s) could reach Rs. 500 lakhs during financial year 2021-22

Section 188 of the Act and the applicable Rules framed thereunder provide that any Related Party Transaction will require prior approval of shareholders through ordinary resolution, if the aggregate value of transaction(s) amounts to 10% or more of the annual turnover of the Company as per last audited financial statements of the Company. BGCL, one of the largest tiles producing companies in India, is your related party.

Accordingly, transaction(s) entered into with BGCL comes within the meaning of Related Party transaction(s) in terms of provisions of the Act, applicable Rules framed thereunder read with the Listing Regulations. Hence, approval of the shareholders is being sought for the said Related Party Transaction(s) proposed to be entered into by your Company with BGCL in the financial year 2021-22. Pursuant to Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, particulars of the transaction(s) with BGCL are as follows:

Sr.No	Particulars	Remarks
1	Name of the Related Party	Bell Granito Ceramica Ltd.,
2	Name of the Director or KMP who is related	Sri. Nalinkant Amratlal Rathod Sri. Viren Rathod Smt. Bharathi Rathod Smt. Shruthi Rathod Sri.Tribhuvan Simh Rathod
3	Nature of Relationship	Related party within the meaning of Section 2(76) of the Act
4	Nature, material terms, monetary value and particulars of the contract or arrangement	Contract for purchase of raw material shall be on a continuous basis. Monetary value of proposed aggregate transaction(s) during financial year 21-22 is expected to be Rs.500 Lakhs.
5	Any other information relevant or important for the members to take a decision on the proposed resolution	Raw material available with related party in-house and of desired quality at market price.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives, other than as mentioned above is concerned or interested, financially or otherwise, in the resolution. The Board of Directors recommends passing of the resolution as set out at item no. 5 of this Notice as an Ordinary Resolution.

By Order of the Board of Directors

Sd/-

Place: Chennai  
Date: 22.06.21

Nalinkant Amratlal Rathod  
(DIN 00272129)  
Chairman

Profile of the director being re-appointed at the ensuing AGM

(As required under Regulation 36 (3) of the Listing Regulations and Clause 1.2.5 of Secretarial Standard - 2 on General Meetings)

Name of Director	SHRUTI RATHOD
DIN	01948999
Date of Birth	09/07/1958
Date of Appointment	06/01/2019
Qualifications	BA
Expertise in specific functional areas	-
Experience	-
Directorship held in other Listed Companies as on 31st March, 2021.	None.
Chairmanship / Membership of Committee held in other Listed Companies as on 31st March, 2021.	None
Number of Equity Shares held in the Company as on 31st March, 2021.	Nil
Relationship with other directors and Key Managerial Personnel	Mr. Tribhuvan simh Rathod : - cfo- Husband Mr. Viren Rathod: Managing Director- Son
Number of Board Meetings attended during the Financial Year 2020 -21	One
Terms and Conditions of Appointment	Retirable by rotation, Non-Executive and Non-Independent
Details of remuneration sought to be paid	Nil
Remuneration last drawn by the Director	Nil
List of Directorship held in other Companies as on 31.03.2021	1.BELL GRANITO CERAMICA LIMITED 2.SOLOGUARD MEDICAL DEVICES PRIVATE LIMITED 3.SOLOCARE MEDICALS PRIVATE LIMITED 4. AVP TRADING PRIVATE LIMITED

## TO THE MEMBERS

Your directors are pleased to present the 35<sup>th</sup> Annual Report on the business and operations of the Company together with its Audited Financial Statements for the year ended March 31, 2021.

### 1. FINANCIAL HIGHLIGHTS OF THE COMPANY

Particulars	` In Lakhs	
	2020-21	2019-20
Revenue From Operations	182.54	207.93
Other Income	0.43	9.47
EBITDA	(98.36)	(80.38)
Interest and Financial charges	0.01	0.01
Depreciation	571.94	571.94
Profit/(Loss) before taxes and Exceptional Items	(670.30)	(652.32)
Exceptional Items	(0.16)	0.39
Provision for taxes	-	-
Profit / (Loss) for the Year	(670.46)	(651.93)

### 2. STATE OF COMPANY'S AFFAIRS

Your Company has achieved a turnover of Rs.182.54 Lakhs for the period ended March 31, 2021 as against Rs. 207.93 (FY 2019-20) which is lower by 25.39 Lakhs (12.21%) as compared to previous Financial Year.

The total expenditure for the period ended March 31, 2021 stood at 853.43 Lakhs, decreased by 15.90 Lakhs (1.82%) as compared to previous year.

The Loss (EBITDA) before Depreciation, Finance Cost and Tax for the year ended March 31, 2021 amounted to 98.36 Lakhs, increased by 17.98 Lakhs (22.37%) as compared to previous year.

The Loss before tax and Exceptional item(s) for the year ended March 31, 2021 amounted to 670.30 Lakhs, increased by 17.98 Lakhs (2.76%) as compared to previous year.

The tax expense for the year ended March 31, 2021 was (zero) 0 Lakhs. The Loss after tax for the year ended March 31, 2021 stood at 670.30 Lakhs as against a loss of 652.32 Lakhs of the previous year. No transfer was made to General reserve during the year ended March 31, 2021.

**3. MATERIAL CHANGES AND COMMITMENTS**

The outbreak of corona virus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. Operations and revenue have been impacted due to COVID-19.

**4. 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, 2021.

**5. 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 Rs.10/- each.

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

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

**6. BORROWINGS**

The Company's borrowings as at March 31, 2021 stood at Rs.3918.62 lakhs as against Rs.3922.12 lakhs as at March 31, 2020.

**7. PUBLIC DEPOSITS**

During the year 2020-21, your Company has not accepted/renewed 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.

**8. INFORMATION ABOUT SUBSIDIARY / JOINT VENTURES**

Your Company does not have any subsidiary/Associate company as on 31st March, 2021. Hence, requirement of consolidated financial statement is not applicable to the Company

**9. PARTICULARS OF RELATED PARTY TRANSACTIONS**

All Related Party Transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business and were in compliance with the applicable provisions of the Companies Act, 2013 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 omnibus approval as also the Board for their approval. A statement containing the details of all Related Party Transactions has been placed before the Audit Committee and the Board of Directors for their review or approval 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 transactions during the year which are given in Form AOC-2 pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8 (2) of the Companies (Accounts) Rules, 2014 is set out as Annexure D to this report.

## **10. IMPLEMENTATION OF RISK POLICY**

Regulation 21 of SEBI (LODR) requires the top 1000 listed Companies to constitute a Risk Management Committee. This regulation is not applicable to your company. The company however has appointed an internal auditor, whose terms of reference among other things included in the evaluation of Internal Control Systems and inform the management about probable lapses. The Audit Committee and the Board of directors have from time to time also identified the risks and opportunities. This practice seeks to create transparency, minimize adverse impact on business objective and enhance the Company's competitive advantage. 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.

## **11. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)**

The Company is well supported by the knowledge and experience of its Directors and Executives.

Re-appointments:

At the 34th Annual General Meeting (AGM), Mr. Nalinkant Amratlal Rathod and Ms. Bharati Nalin Rathod, Directors were retired by rotation and being eligible, offers themselves, for re-appointment.

The Board of Directors, on recommendation of the Nomination and Corporate- cum-Remuneration committee has recommend re-appointed of Mr. Nalinkant Amratlal Rathod and Ms. Bharati Nalin Rathod.

Key Management Personnel:

Pursuant to the provisions of Section 2(51) and 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended from time to time) the following are the Key Managerial Personnel of the Company:

Mr. Viren Rathod (Managing Director),;  
Tribhuvan Simh Rathod, (Chief Financial Officer)  
Mr. Ravi Kiran Sukumar, Company Secretary

## **12. BOARD AND COMMITTEE MEETINGS**

During the year, the Board of directors has meet 4(four) times and Audit Committee has meet 4 times. Details of the composition of the Board and its Committees and of the meetings held and attendance of each 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.

## **13. DECLARATION BY INDEPENDENT DIRECTORS**

The Company has received declaration from all the independent Directors of the Company confirmation

that they meet the criteria of Independent directors prescribed under the Act and the listing Regulation.

#### **14. DIRECTORS' RESPONSIBILITY STATEMENT.**

Accordingly, pursuant to Section 134(3) (c) and 134(5) of the Companies Act, 2013 the Board of Directors to the best of their knowledge and ability, confirm that:–

In the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;

The Directors had 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, 2021 and of the loss of the Company for that period;

The Directors had 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;

The Directors had prepared the annual accounts on a going concern basis;

The Director laid down the internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;

The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

No fraud reported by auditors under sub-section (12) of Section 143 other than those which are reportable to the Central Government.

#### **15. EVALUATION OF BOARD OF DIRECTORS**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligation & Disclosure Requirement) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of its committees. The manner in which the evaluation has been carried out is explained in the Corporate Governance Report which forms the part of this Annual Report

The Board of Directors of the Company presently comprises (9) 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 longstanding 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.



**16. INTERNAL CONTROLS SYSTEMS (ICS) AND THEIR ADEQUACY**

The company has established adequate internal control system (ICS), commensurate with size and, scale and complexity of its operations. 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 2020-21, except at some point.

**17. 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 behavior, 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 read with Regulation 22(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015/Listing Agreement. The details of the policy as well as its weblink are contained in the Corporate Governance Report.

**18. 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.

**19. CORPORATE SOCIAL RESPONSIBILITY**

The company had incurred loss in the current year and also in past 3 years also. Even though the Provisions of Section 135 of the Companies Act, 2013 in respect of Corporate Social Responsibility is not applicable, your Company is intrinsically associated with the society and environment by upholding its businesses with transparency and commitment.

**20. 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.

Disclosure relating to Remuneration of Directors, Key Managerial Personnel (KMP) and Particulars of employees.

In accordance with Section 178 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules thereunder (Including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Board of Directors of the Company based on recommendation of Nomination and Remuneration Committee (NRC) of the Board has approved the Remuneration Policy of the Company. Further in accordance with Section 178 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules thereunder (Including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Company has adopted revised Policy in meeting of Board of Directors held on 06th February 2021 which includes the role of NRC.



The Remuneration Policy is stated in the Corporate Governance report.

Particulars of information as per Section 197 of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014- a Statement showing the names and other particulars of the Employee drawing remuneration in excess of the limits set in Rules and Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 if any shareholder interested in obtaining the same may write to the Company Secretary at the Registered Office of the Company.

## **21. LISTING OF SHARES**

The Equity Shares of your Company continue to remain listed on 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 2020-21.

## **22. AUDITORS**

### **i. Statutory Auditors:**

M/s.R.Sundararajan & Associates Chartered Accountants (Firm Registration No. 08282S) Who are statutory auditors of the company to hold till conclusion of 38th Annual General Meeting.

### **ii. Cost Auditors**

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 in accordance with the applicable rules are not applicable to the company.

### **iii. Secretarial Auditors**

Pursuant to the provisions of Section 204 of the Companies Act 2013 and rules made thereunder the company has appointed Mr. Niraj Trivedi, Practicing Company Secretary, Vadodara to undertake the Secretarial Audit of the Company for the F.Y. 2020-21. The secretarial audit report is included as Annexure – MR-3 and forms an integral part of this report.

During the year, the Secretarial Auditor has provided observations in his report.

The Secretarial Auditor in their Report MR-3 for the F.Y. 2020-21 have given some remarks in respect of delay / non-submission of forms, publication of advertisement in newspaper and non-compliance under listing Regulations, etc. These delay in submission of forms and non-compliances under the Companies Act, LODR, SEBI Regulations are mainly due to all members of the staff taking care of secretarial department were working from home due to COVID -19 pandemic, even majority staff during F.Y. 2020-21 got COVID-19 infected and were hospitalized.

Even working from home being new concept and the staff members were not in a position to coordinate among each other and with the directors in a manner required.

Due to lack of proper coordination and hospitalization of major staff of secretarial department some lapses

as mentioned in Secretarial Audit Report- MR-3 took places.

The Company has taken serious view and will make sure that the same will not happen again in future.

**iv. Internal Auditors**

The Board of Directors appointed Mr. Parth Patel , Chartered Accountants as Internal Auditors of the Company for the financial year 2021-22.

**23. REPORT ON CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORT**

Your Company believes in conducting its affairs in a fair, transparent, and professional manner and maintain the good ethical standards, transparency, and accountability in its dealings with all its constituents. Your Company has Complied with all the Mandatory Requirements of Corporate Governance norms as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Seperate report on Management Discussion& Analysis, Corporate Governance as well as the Auditor's certificate on the compliance of Corporate Governance thereon forms part of this report as "Annexure-A and Annexure- E respectively".

**24. INFORMATION REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information as required under Section 134(3) (m) of the Companies Act,2013 read with the Companies (Accounts) Rules,2014 is set out herewith as "Annexure-B" forming part of this report.

**25. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF COMPANIES ACT,2013**

Your Company has not granted any Loans, Guarantees or Investments under Section 186 of the Companies Act,2013.

**26. AUDITORS REPORT**

The Statutory Auditor of the Company had given some qualified opinion on Financial Statement of the Company which are as follows

Sr.No	Qualified Opinion	Comments be Board of Directors
1.	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 going concern for a reasonable period of time. The attached financial Statements do not include any adjustment that might result had the above uncertainties been known.	The company is in the process of merger with another group company. Post merger company will be able to achieve profitability.

2.	<p>The Company’s building is carried in the Books at a value of Rs.635.06 lakhs as at March 31,2021. Independent Valuation of the same during earlier year (2017) had indicated impairment in value of Rs.376.20 lakhs which ought to be recognised in the Statement of profit and loss. However, the Company has represented that under the rehabilitation scheme sanctioned by BIFR in 2002, a reserve of Rs.754.44 lakhs had been created (upon Capital reduction) towards adjustments of possible impairment in the Value of Property, plant and Equipment and that steps are being initiated to adjust the impairment in value against that reserve with approval of appropriate authorities. Consequently, the said impairment in value of building has not been recognized in the Financial Statements.</p>	<p>A reserve of Rs. 754.14lakhs has been created towards adjustment of possible impairment in value of plant/equipments and buildings. Company is also planning to carry out fresh valuation during the next year to identify any impairment and take appropriate action for such recognition in the financial statement.</p>						
3.	<p>The Company does not have an appropriate internal control system for assessing and recognising impairment to the immovable properties of the Company and this could potentially result in the Company recognising immovable properties at erroneous values.</p> <p>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.</p>	<p>Management is planning to carry out fresh valuation of its assets by certified valuer during the ensuing financial year and take appropriate steps for recognising any impairment in the value of assets.</p>						
4.	<p>Delays were noticed in depositing undisputed statutory dues including provident fund, employee’s state insurance, income tax, Goods and Service tax, and other statutory dues with the appropriate authorities during the year. The arrears of statutory dues outstanding for more than six months as at March 31, 2021 are:</p> <table><tr><td>Nature of Dues</td><td>Amount (Rs. Lakhs)</td></tr><tr><td>Sales Tax</td><td>6.00</td></tr><tr><td>Income Tax</td><td>1.51</td></tr></table>	Nature of Dues	Amount (Rs. Lakhs)	Sales Tax	6.00	Income Tax	1.51	<p>Management is taking steps to clear all pending statutory dues during the next financial year and enclose that there ae no dues in future.</p>
Nature of Dues	Amount (Rs. Lakhs)							
Sales Tax	6.00							
Income Tax	1.51							

	<table><tr><td>AP Pollution Control Board</td><td>1.25</td></tr><tr><td>Southern Power Distribution Co of Telangana Ltd</td><td>3.16</td></tr></table>	AP Pollution Control Board	1.25	Southern Power Distribution Co of Telangana Ltd	3.16	
AP Pollution Control Board	1.25					
Southern Power Distribution Co of Telangana Ltd	3.16					
	We are informed that the delays were caused due to financial constraints.					
5.	The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets. The same, however, needs to be updated.	Company is taking steps to update the same				

## **27. DISCLOSURES AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company had 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 of any sexual harassment.

## **28. ANNUAL RETURN**

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, an Annual Return as on March 31, 2021 is available on the Company's website on [www.restile.com](http://www.restile.com).

## **29. SECRETARIAL STANDARD**

The Company has followed the applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings' respectively during F.Y 2020-21.

## **30. MAINTENANCE OF COST RECORDS: -**

The Company is not required to maintain cost records as specified by Central Government under Section 148(1) of the Companies Act, 2013 and accordingly such accounts and records are not made and maintained by the Company.

## **31. PROCEEDINGS PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE: -**

There are no such proceedings or appeals pending under Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year and at the end of the financial year.

**32. THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS: -**

No such instance of One-time settlement or valuation was done while taking or discharging loan from the Banks/ Financial institutions occurred during the year.

**33. FRAUD REPORTING BY AUDITOR: -**

No fraud has been reported by the Auditors to the Audit Committee or the Board.

**34. ACKNOWLEDGEMENT:-**

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: 22.06.21

Sd/-  
**Viren Rathod**  
Managing Director  
(DIN 03407158)

Sd/-  
**N.S.MANI**  
Director  
(DIN 02577983)

**ANNEXURE A TO THE DIRECTOR'S REPORT**

➤ **MANAGEMENT DISCUSSION AND ANALYSIS OF OPERATING RESULTS AND FINANCIAL PERFORMANCE**

The paid-up equity share capital as at March 31st, 2021 stood at Rs.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, 2021 none of the directors of the company hold instruments convertible into equity shares of the company.

Net Revenue from operations during the year was Rs. 182.54 lacs as against Rs.207.93 Lacs during the previous year. During the year there was no production and the revenue was generated out of sale of materials from Stock and from traded goods.

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	2020-21	2019-20	Increase/ (Decrease)
1.	Raw Material Consumption (including Movement in Finished Goods Stock)	159.95	171.96	(12.01)
2.	Employee Expenses	41.25	35.64	5.61
3.	Finance Costs	0.01	0.01	-
4.	Other Expenses	80.13	90.17	(10.04)
5.	Depreciation and amortization	571.94	571.94	-
	<b>Total</b>	<b>853.28</b>	<b>869.72</b>	<b>(16.44)</b>

It is clear from the above statement that all the expenditures, except consumption of materials and other expenses, show a decreasing trend compared to previous year.

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

**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. The company has also purchased material from M/s Bell Granito Ceramica Limited, an Associate Company, which has resulted in extra revenue on account of sale of these products in the Andhra and Telangana region.

**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.

**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.

**Segment wise or Product wise performance:** There is only one segment which is full body vitrified tile

Outlook for the year 2021-2022:

#### **Material Development in Human Resource & Industrial Relations:**

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

Details of Significant changes (I.E Change of 25% or More as compared to the immediately Previous Financial Year) in Key Financial Ratios, therefor:

## Important Ratio

<b>1. Debtor Turnover:</b> <b>2020-21: 1.00</b> <b>2019-20: 3.79</b>	<b>2. Inventory Turnover</b> <b>2020-21: 43.17</b> <b>2019-20: 50.89</b>
<b>3. Interest Coverage Ratio: N.A</b>	<b>4. Current Ratio</b> <b>2020-21: 6.03</b> <b>2019-20: 8.29</b>
<b>5. Debt Equity Ratio: N.A</b>	<b>6. Operating Profit Margin:</b> <b>2020-21: (-)39.44</b> <b>2019-20: (-)25.23</b>
<b>7. Net Profit Margin</b> <b>2020-21: (-)367.59</b> <b>2019-20: (-)313.52</b>	<b>8. Return on Net Worth:</b> <b>2020-21: 29.06</b> <b>2019-20: 39.79</b>

**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 with in India and countries in which the company conducts business

### ANNEXURE B-TO THE DIRECTORS REPORT

#### ➤ CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, 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, 2021 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 21,102 units amounting to Rs.6.49 Lacs (2019-20 -75,665 units



amounting to Rs.8.98Lacs). During the year there was no production and hence the Gas consumption is Nil.

➤ **TECHNOLOGY ABSORPTION**

As there are no productions/operations during the year 2020-21, nothing much happened in the areas of Technology absorption, new product development, cost reduction and quality improvement.

➤ **FOREIGN EXCHANGE EARNINGS AND OUTGO**

Foreign Exchange Earnings and Outgo	2020-21	2019-20
	(Rs. in Lakhs)	(Rs. in Lakhs)
Foreign Exchange Earnings	Nil	Nil
Foreign Exchange outgo	Nil	Nil

**ANNEXURE C-TO THE DIRECTORS REPORT**

***SECRETARIAL AUDIT REPORT***  
**FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2021**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
 The Members  
 Restile Ceramics Limited  
 CIN: L26931GJ1986PLC102350  
 204, Sakar Complex, Opp. ABS Tower,  
 Vaccine Crossing, Old Padra Road,  
 Vadodara -3900 15.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Restile Ceramics Limited (“the Company”). 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 virtual verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and to the extent the information / documents as provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit and considering the relaxations granted by the Ministry of Corporate Affairs (MCA) and the Securities and Exchange Board of India (SEBI) warranted due to the spread of the COVID -19 pandemic, we hereby report that in our opinion, the Company has, during the audit



period covering the Financial Year ended on 31st March, 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us virtually / through email and as maintained by the Company for the Financial Year ended on 31st March, 2021 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force);
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force);
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force);
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')(including any statutory modification(s) or re-enactment(s) thereof, for the time being in force):-
  - 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, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; - (Not applicable to the Company during the audit period)
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period)
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period)
  - 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;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not applicable to the Company during the audit period) and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the audit period);

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 BSE 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, etc. mentioned above subject to the following observations:

a) Under the Companies Act, 2013, Rules framed there under:-

1. During the year under review, the Company has filed required forms and returns with Registrar of Companies (ROC), Gujarat, within prescribed time, except following e-forms which were not filed or filed after the prescribed time limit as stated hereunder.

Following forms were not filed with ROC:-

Sr. No.	E-Form No.	Particular	Date of Event	Due Date of filing
01	MGT-14	For consideration and adoption of Audited Financial Results along with Board Report for the financial year 2019-20.	06/07/2020	05/08/2020
02	MGT-14	For appointment of Internal auditor of the Company for the financial year 2020-21.	10/11/2020	10/12/2020
03	MGT-14	Pursuant to MCA General Circular No. 14/2020 dated 08/04/2020, MGT-14 is to be filed with ROC within 60 days of its AGM, clearly indicating therein that the mechanism provided herein along with other provisions of the Act and rules were duly complied with during such meeting.	18/09/2020	17/11/2020

Following form was filed with ROC after the prescribed time limit:-

Sr. No.	E-Form No.	Date of Event	Date of filing	Delayed by days	Additional Filing Fees Paid
01	MGT-07	18/09/2020	22/03/2021	125	12,500/-

2. The company has not complied with the provision of the Section 12 (3) (c) of the Companies Act, 2013 by not mentioning the Contact Number on its Letterhead.
  3. The Annual Report for the financial year 2019-20 did not disclose the name of its Holding Company i.e. M/s. Solomed Capital Pte. Ltd which holds 63.69% in the Company.
  4. The Company did not publish notice of Annual General Meeting (AGM) held for the financial year ended 2019-20 in newspaper in Compliance with the provisions of the Companies Act, 2013 read with MCA Circular dated 5th May, 2020, 8th April, 2020 and 13th April, 2020.
- b) Under SEBI Act, Regulations, Rules, Guidelines, Notifications, Circulars etc. are:-
5. The Company has not disclosed related party transactions on consolidated basis for half year ended on March 2020 and also not upload the same on website of the company. Also there was delay of 40 days in disclosure of related party transactions on consolidated basis for the half year ended September 2020 under Regulation 23(9) of LODR.
  6. There was delay of two days in furnishing prior intimation about the meeting of the board of directors convened on September 15, 2020 for considering Quarterly Financial Results under Regulation 29(2) of LODR.
  7. Non submission of Proceedings of Annual General Meeting (AGM) held on 18/09/2020 for the financial year 2019-20 to BSE within 24 hrs. under Regulation 30 read with clause 13 of Para A of Part A of Schedule III to LODR.
  8. Non-disclosure to the stock exchange within 24 hrs. of appointment of Company Secretary & Compliance officer of the company namely, Mr. Ravi Kiran Sukumar, under Regulation 30 read with clause 7 of para A of Part A of schedule III of LODR.
  9. The Company has not complied with the SEBI Circular No. SEBI/HO/DDHS/CIR/P/2018/144 pertaining to Large Corporate entity dtd. 26.11.2018 by non submission of disclosures in respect of initial as well as annual disclosures requirements in respect of large Corporate entities for the Financial Year 2020-21.
  10. There was delayed by 2 ½ months in disclosure of closing of trading window and the same was intimated to BSE on 12/06/2020 instead of 01/04/2020 under Regulation 9 read with Schedule B of SEBI (Prohibition of insider Trading) Regulation, 2015.

Fine/Penalties imposed by Stock Exchanges during the period under review are:-

11. BSE through email dated 18.01.2021 imposed fine of Rs. 230,100/- for non-compliance of Regulation 23 (9) of LODR in respect of disclosure of related party transaction on consolidated basis for half year ended September 2020.
12. BSE through email dated 14.10.2020 and imposed fine of Rs. 11,800/- for non-compliance of Regulation 29 (2) of LODR in respect of delay in furnishing prior intimation about the meeting of the board of directors convened on September 15, 2020 for Financial Results.

We further report that:

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

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

Decisions at the meetings of the Board of Directors of the Company were carried through on the basis of unanimously and/or requisite majority. There were no dissenting views by any member of the Board of Directors during the period under review.

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 etc.

We further report that during the audit period, no actions or any events having a major bearing on the Company's affairs in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards etc.

We further report that due to COVID-19, physical movement was not possible and therefore we have relied upon applicable and appropriate information, documents and confirmations received through emails from the Company and accordingly completed audit for the purpose of issue of this report.

Place: Vadodara

Date: 22nd June, 2021

Signature :

Name of PCS : NIRAJ TRIVEDI

C. P. No. : 3123

FCS : 3844

PR No. : 1014/2020

UDIN : F003844C000495271

Note: 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  
CIN: L26931GJ1986PLC102350  
204, Sakar Complex, Opp. ABS Tower,  
Vaccine Crossing, Old Padra Road,  
Vadodara -3900 15.

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 processes 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 processes 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. Where ever 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 procedures 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: Vadodara

Signature :

Date: 22nd June, 2021

Name of PCS: NIRAJ TRIVEDI

C. P. No. : 3123

FCS : 3844

PR No. : 1014/2020

UDIN : F003844C000495271

**ANNEXURE D-TO THE DIRECTORS REPORT****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 arm's 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>	
	(a) Name(s) of the related party and nature of relationship:	
	(b) Nature of contracts/arrangements/transactions:	
	(c) Duration of the contracts / arrangements/transactions:	Details attached in Annexure
	(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:	<b>NIL</b>

## For and on behalf of the Board of Directors

Place : Chennai

Date : 22.6.2021

**Viren Rathod**  
**Managing Director**  
**(DIN 03407158)**

**N.S.MANI**  
**Director**  
**(DIN 02577983)**

**ANNEXURE**

S.No.	Name of the Related Party and	nature of Relationship	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 GranitoCera mica Limited	Directors are Interested	Purchases	Continual	154.43	06.07.2020
2	Bell GranitoCera mica Limited	Directors are Interested	Sales	Continual	36.81	06.07.2020
3	Bell GranitoCera mica Limited	Directors are Interested	Rent	Continual	0.24	06.07.2020

## For and on behalf of the Board of Directors

Place : Chennai

Date : 22.06.21

**Viren Rathod**  
**Managing Director**  
**(DIN 03407158)**

**N.S.MANI**  
**Director**  
**(DIN 02577983)**

## ANNEXURE E-TO THE DIRECTORS REPORT

### REPORT ON CORPORATE GOVERNANCE:-

#### ➤ **The Philosophy of Company on Corporate Governance**

Restile Ceramics Limited (“the Company”) believes in conducting its affairs in fair, transparent and professional manner and maintaining good ethical standards in its dealing with all its constituents.

#### ➤ **Company 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, 2021:

#### ➤ **Board of Directors:-**

##### • **Composition of the Board**

As on 31st March 2021, the Company has ten (10) Directors. Out of which Directors, Nine (9) are Non-Executive Directors with Five(5) of them being Independent Directors, One(1) Nominee Director, One(1) Non-Executive chairman and Two (2) Women Directors (Non-Independent). 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.

Thus, composition of the Board is in conformity with Regulation 17 of the Listing Regulations.

“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 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 issued to the Independent Directors.

The Board of Directors hereby confirms that in their opinion, the Independent Directors fulfill the conditions specified in the SEBI Listing Regulations, 2015 and are Independent of the Management.

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.

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:- a) all public limited companies, whether listed or not included and all other companies including private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 excluded and b) the Audit Committee and the Stakeholder’s Relationship Committee included and the details of the same forms part of this report.

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.

- **Details of composition and category of Directors, attendance at the Board Meetings, Annual General Meeting and shareholding of each Director:**

Name of the Director	Category	No. of Board Meetings held & attended during the Financial Year	Attendance at the last AGM	No. of Equity shares held in the Company
Nalinkant Amratlal Rathod	Promoter, Non-Executive - Non Independent Director	1	Yes	81, 26,383
Viren Rathod	Executive Director-MD	4	Yes	Nil
Tenkasi Ramanarayana n Seetharaman	Non-Executive - Independent Director	4	No	Nil

Nalandula Srinivasa Rao Ramachandran	Non-Executive - Independent Director	4	Yes	Nil
Gopalachari Padmanabhan	Non-Executive - Independent Director	2	No	Nil
Yash Kaushik Shah	Non-Executive - Independent Director	1	No	Nil
Narayanan Subramanian	Non-Executive - Independent Director	4	Yes	Nil
Shruti Rathod	Non-Executive - Non Independent Director	1	No	Nil
Bharati Nalin Rathod	Non-Executive - Non Independent Director	1	No	Nil
Rajendra Prasad Kandikattu	Non-Executive -Nominee Director-represented from APIDC	0	No	Nil

- **Number of other board of directors or committees in which a Director is a director / member / chairperson:**

<b>Name of the Director</b>	<b>No. of other Directors hips</b>	<b>No. of Committee Memberships *</b>	<b>No. of Committee Chairmanship *</b>
Nalinkant Amratlal Rathod	1	0	0
Viren Rathod	1	0	0
Tenkasi Ramanarayanan Seetharaman	1	1	0

Nalandula Srinivasa Rao Ramachandran	2	0	1
Gopalachari Padmanabhan	1	1	0
Yash Kaushik Shah	0	0	0
N.S.Mani	3	1	1
Shruti Rathod	1	1	0
Bharati Nalin Rathod	1	0	0
Rajendra Prasad Kandikattu	2	0	0

• **Note:- for this purpose:-**

- all public limited companies, whether listed or not included and all other companies including private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 excluded and
- the Audit Committee and the Stake- holder's Relationship Committee included.

• **Names of the listed entities where the person is a director and the category of directorship.**

Name of the Director	Name of the listed entities and category of directorship
Nalinkant Amratlal Rathod	--
Viren Rathod	--
Tenkasi Ramanarayana n Seetharaman	--
Nalandula Srinivasa Rao Ramachandran	KSK Energy Ventures Limited, Director
Gopalachari Padmanabhan	--
Yash Kaushik Shah	--
Narayanan Subramanian	Consolidated Construction Consortium Limited, Independent Director

Shruti Rathod	--
Bharati Nalin Rathod	--
Rajendra Prasad Kandikattu	Raasi Refractories Ltd., Nominee Director

• **Number of Board Meetings held and the dates of the Board Meetings**

Four (4) Meetings of Board of Directors were held during the year ended 31st March, 2021 on 06th July, 2020, 15th September, 2020, 10th November, 2020 and 06th February, 2021. The time gap between any two meetings was not exceeding one hundred and twenty days.

• **Disclosure of relationship between director inter-se**

Mr. Nalinkant Amratlal Rathod, Chairman is the uncle of Mr. Viren Rathod, Managing Director of the Company.

Mr. Nalinkant Amratlal Rathod, Chairman/ or Director is the Husband of Mrs. Bharati Rathod, Director of the Company.

Mr. Viren Rathod , Managing Director is the Son of Mrs. Shruthi Rathod Director of the Company.

None of the other Directors are related to each other.

• **Familiarisation Programs for Independent Directors:**

The Company has conducted familiarization programs for independent Directors during the year. The details for the same have been disclosed on the website of the Company at the following <http://www.restile.com/investor-corner/>

• **A Chart Matrix setting out the Skills/Expertise/competence of the Board of Directors as required in the context of its business(es) and sector(s)**

Name of Director	Financial Management	Governance Practice	Business Strategy	General Management
Nalinkant Amratlal Rathod	✓	✓	✓	✓
Viren Rathod	✓	✓	✓	✓
Tenkasi Ramanarayanan Seetharaman	✓	✓	✓	✓

Nalandula Srinivasa Rao Ramachandran	✓	✓	✓	✓
Gopalachari Padmanabhan	✓	✓	✓	✓
Yash Kaushik Shah	✓	✓	✓	✓
Narayanan Subramanian	✓	✓	✓	✓
Shruti Rathod	✓	✓	✓	✓
Bharati Nalin Rathod	✓	✓	✓	✓
Rajendra Prasad Kandikattu	✓	✓	✓	✓

1. Independent Directors of the Company separately met once on February 6<sup>th</sup>, 2021 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.
2. 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.
3. Four Independent Directors were presented the meeting of Independent Directors and Mr. Narayanan Subramanian, Independent Director, Chaired the meeting.
4. 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.
5. 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.
6. The details of remuneration/sitting fees paid to the directors are being furnished in this report
7. 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, 2021. The said code of conduct is also displayed on the Company's website.
8. 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.
9. 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.

Detailed reasons for the resignation of an independent director who resigns before the expiry of his/her tenure along with a confirmation by such director that there are no other material reasons other than those provided:-

During the FY 2020-21, No Independent Director has resigned from his/her post.

### 35. Audit Committee:-

- Composition, Name of Chairman and Members & Terms of Reference**

The Audit Committee comprises of 5 Independent Non-Executive Directors with Mr. Nalandula Srinivasa Rao as Chairman, Mr. Gopalachari Padmanabhan, Mr. Tenkasi Ramanarayanan Seetharaman, Mr. Narayanan Subramanian and Mr. Yash Kaushik Shah as members. The terms of reference of the Committee cover the matters specified for Audit Committee under the SEBI Listing Regulations, 2015 and the Act.

The Statutory Auditors, Internal Auditors and other relevant Senior Management Persons of the Company are invited to attend the meetings of the Audit Committee. The Company Secretary of the Company acts as Secretary to the Committee. Mr. Nalandula Srinivasa Rao Chairman of the Audit Committee was present at the last Annual General Meeting held on 18th September, 2020.

- Meetings and the attendance during the year**

There were Four (4) meetings of the Audit Committee held during the year ended 31st March, 2021 on 6th July 2020, 15th September 2020, 10th November 2020, 6th February 2021:

Name of Director	No. of Meetings held	No. of Meetings attended
Mr. Nalandula Srinivasa Rao	4	4
Mr. Gopalachari Padmanabhan	4	2
Mr. Tenkasi Ramanarayanan Seetharaman	4	4
Mr. Narayanan Subramanian	4	4
Mr. Yash Kaushik Shah	4	1

### 36. Nomination and Remuneration Committee:-

- Composition, Name of Chairman and Members & Terms of Reference**

The Nomination and Remuneration Committee comprises of 3 Independent Non-Executive

Directors with Mr. Narayanan Subramanian as Chairman, Mr. Nalandula Srinivasa Rao and Mr. Yash Kaushik Shah as members. The terms of reference of the Committee cover the matters specified for Nomination and Remuneration Committee under the SEBI Listing Regulations, 2015 and the Act. The Company Secretary of the Company acts as Secretary to the Committee. Mr. Narayanan Subramanian Chairman of the Nomination and Remuneration Committee was present at the last Annual General Meeting held on 18th September, 2020.

- **Meetings and the attendance during the year**

There was (1) meeting of the Nomination and Remuneration Committee held during the year ended 31st March, 2021 on 06th February, 2021.

The attendance of each member of the Nomination and Remuneration Committee is given below:

Name of Director	No. of Meetings held	No. of Meetings attended
Mr. Narayanan Subramanian	1	1
Mr. Nalandula Srinivasa Rao	1	1
Mr. Yash Kaushik Shah	1	0

- **Performance Evaluation Criteria**

The following were the Evaluation Criteria:

- **For Independent Director**

- Knowledge and Skills
- Professional Conduct
- Duties, Role and functions
- Fulfillment of the Independent Criteria and Independence from the management

- **For Non-Executive Director**

- Knowledge and Skills
- Professional Conduct
- Duties, Role and functions

- **For Executive Director**

- Performance as Term Leader/Member
- Evaluating Business Opportunity and analysis of Risk Reward Scenarios
- Set Key Goals and Achievement
- Professional Conduct and Integrity
- Sharing of Information with the Board.

The Directors expressed their satisfaction with the evaluation process.

**37. Stakeholder and Relationship Committee:-**

- Composition, Name of Chairman and Members & Terms of Reference**

The Stakeholder and Relationship Committee comprises of 3 Independent Non-Executive Directors with Mr. Nalandula Srinivasa Rao as Chairman, Mr. Gopalachari Padmanabhan and Mr. Tenkasi Ramanarayanan Seetharaman as members. The terms of reference of the Committee cover the matters specified for Stakeholder and Relationship Committee under the SEBI Listing Regulations, 2015 and the Act. The Company Secretary of the Company acts as Secretary to the Committee. Mr. Nalandula Srinivasa Rao Chairman of the Stakeholder and Relationship Committee was present at the last Annual General Meeting held on 18th September, 2020.

- Meetings and the attendance during the year**

There was one (1) meetings of the Stakeholder and Relationship Committee held during the year ended 31st March, 2021 on 06th February, 2021.

The attendance of each member of the Stakeholder and Relationship Committee is given below:

Name of Director	No. of Meetings held	No. of Meetings attended
Mr. Nalandula Srinivasa Rao	1	1
Mr. Gopalachari Padmanabhan	1	1
Mr. Tenkasi Ramanarayanan Seetharaman	1	1

— Mr. Ravi Kiran Sukumar, Company Secretary is the Compliance Officer of the Company

— No. of Shareholders' complaint received: Nil

— No. of Complaints not solved to the satisfaction of Shareholders: Nil

— No. of Pending complaints: Nil

**38. Details of Remuneration paid to Directors-**

- all pecuniary relationship or transactions of the non-executive directors vis-à-vis the listed entity;
- criteria of making payments to non-executive directors. Alternatively, this may be disseminated on the listed entity's website and reference drawn thereto in the annual report;
- Remuneration of the Managing Director;

The remuneration paid during the financial year 2020–2021 to the Managing Director is



furnished hereunder:

Particulars	Mr. Viren Rathod
Salary, Incentive and perquisites	NIL
Contribution to Provident and Gratuity Fund	NIL
Performance Incentive Payable	NIL
Shares held as on March 31, 2021.	NIL

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

### CRITERIA FOR MAKING PAYMENT TO NON-EXECUTIVE DIRECTORS:

The Company pays Sitting Fees of Rs.10,000/- per Meeting to Non-Executive Directors of the Company for attending Meetings of the Board of Directors or Committees thereof.

Sitting fee (remuneration) paid to Non-Executive Directors during the financial year 2020-21 and the details of shares held by them as on March 31, 2021 are as under:

Name of Director	Amount	No of Shares Held
Nalandula SrinivasaRao Ramachandran	40,000	NIL
Gopalachari Padmanabhan	20,000	NIL
Tenkasi Ramanarayanan Seetharaman	40,000	NIL
Narayanan Subramanian	40,000	NIL
Yash Kaushik Shah	-	NIL
Rajendra Prasad Kandikattu	NIL	NIL
Nalinkant Amratlal Rathod	NIL	NIL
Shruti Rathod	NIL	NIL
Bharati Nalin Rathod	NIL	NIL

### 39. 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
2018	204, Sakar Complex, Opp ABS Tower, Vaccine Crossing, Old Padra Road, Baroda- 390015.	September 17, 2018	Monday	10.00 A.M

2019	204, Sakar Complex, Opp ABS Tower, Vaccine Crossing, Old Padra Road, Baroda- 390015.	September 20, 2019	Friday	4.00 P.M
2020	OVC meeting	September 18, 2020	Friday	11.00 A.M

- The Chairman of the Audit Committee was present at all the above AGMs. No EGM was held in the last three years.
- Special Resolutions have been passed in the previous three Annual General Meetings held in 2018, 2019 and 2020.
- During the Financial Year 2020-21, no resolution was passed through Postal Ballot.
- No Special resolution is proposed to be conducted through Postal Ballot.
  - **Special Resolutions passed during the last three years at the Annual General Meeting:**

Date of Meeting	Special Resolution
17 <sup>th</sup> September, 2018	Re-appointment of Mr.Tribhuvan Simh Rathod as Managing Director of the Company.
	Authority to borrow in excess of the paid up capital and reserves.
	Authority to create mortgages, charges and hypothecations
20 <sup>th</sup> September, 2019	Re-appointment of Mr.Mani as an Independent Director of the Company.
	Re-appointment of Mr.Nalandula Srinivasa Rao Ramachandran as an Independent Director of the Company.
	Authority to borrow in excess of the paid up Capital and Reserves
	Authority to create mortgages, charges and hypothecations
	Approval for Related Party Transactions
18 <sup>th</sup> September, 2020	Re-appointment of Mr.G. Padmanabhan as an Independent Director of the Company.
	Authority to borrow in excess of the paid up Capital and Reserves

	Authority to create mortgages, charges and hypothecations
	Approval for Related Party Transactions

#### 40. Means of Communication

<b>Quarterly Results</b>	<b>The results will be published in the newspapers having wide coverage</b>
Which Newspapers wherein results normally published	Will be published normally in: The Indian Express (English) The Financial Express (Gujarati) or any other leading newspapers
Any website, where displayed	<a href="http://www.restile.com">www.restile.com</a>
Whether it also displays official news releases; and	Yes
The presentations made to institutional investors or to the analysts	No

#### 41. General Shareholder Information

<b>Date, Time and Venue of AGM</b>	Wednesday 25 <sup>th</sup> August 2021 at 12.00 Noon.  The meeting will be held through VC / OAVM.
<b>Financial Year</b>	1 <sup>st</sup> April 2020-31 <sup>st</sup> March 2021
<b>Dividend Payment Date</b>	NA
<b>Stock Exchange</b>	BSE Limited
<b>Stock Code</b>	515085, with security ID/symbol of RESTILE
<b>ISIN No.</b>	INE298E01022
<b>Listing on Stock Exchange</b>	BSE Limited (BSE) Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai – 400 001.

<b>Market price data—high, low during each month in last financial year</b>	Please see Annexure 1
<b>Share Performance of the Company in comparison to BSE Sensex</b>	Please see Annexure 2
<b>In case the securities are suspended from trading, the directors report shall explain the reason thereof</b>	Not applicable
<b>Registrar and Share Transfer Agent</b>	M/s. Cameo Corporate Services Ltd, Subramanian Building”1, Club House Road, Chennai 600 002. Telephone No: 044-28460390
<b>Share Transfer System</b>	SEBI has mandated that w.e.f. 1st April, 2019, shares shall be transferred only in demat form. The request for share transfer in physical form received upto 31st March, 2019 were processed and transferred by Registrar and Share Transfer Agents in accordance with SEBI circulars in this regard and the share certificates were returned within the stipulated period, if the documents were accurate in all respects. No fresh requests for transfer of shares in physical form can be lodged by the shareholders. Stakeholders’ Relationship Committee has delegated powers to Registrar and Share Transfer Agents to effect requests for transmission, name deletion, duplicate share certificates, etc.
<b>Distribution of Shareholding/Shareholding Pattern as on 31st March, 2021</b>	Please see Annexure 3
<b>Dematerialization of Shares and Liquidity</b>	Please see Annexure 4
<b>Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on equity</b>	Not applicable
<b>Commodity price risk or foreign exchange risk and hedging activities</b>	The Company’s API products (both finished goods as well as raw materials) are subject to commodity price risk. The Company does not carry out any hedging

	activities for the same. The Company does not have material forex transactions and does not have any hedging activities.
<b>Plant Locations</b>	Malkapur Village, HatnooraMandal, NarsapurTaluk, Medak District-502 296, Telangana
<b>Address for Correspondence / Investor Correspondence</b>	Mr. S Ravi kiran 204, Sakar complex, Opp. ABS Tower, Vaccine Crossing, Old Padra Road, Vadodara- 390 015 Email: <a href="mailto:restile@accountscare.com">restile@accountscare.com</a>
<b>List of credit rating obtained by the entity</b>	NIL

The company has paid annual listing fees to the Stock Exchanges in respect of financial year 2020-2021.

#### Annexure-1

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

Month	Highest (Rs.)	Lowest (Rs.)	Month	Highest (Rs.)	Lowest (Rs.)
April 2020	2.22	1.68	October 2020	2.26	1.64
May 2020	2.33	1.77	November 2020	2.44	1.61
June 2020	2.51	1.80	December 2020	3.04	1.74
July 2020	2.11	1.71	January 2021	3.43	2.52
August 2020	2.18	1.74	February 2021	3.08	2.20
September 2020	2.33	1.82	March 2021	2.38	1.93

#### Annexure-2

##### Share Performance of the Company in comparison to BSE Sensex

##### High-Low share price performance in comparison to broad based indices-BSE Sensex

Month for the year 2020-21	BSE
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	High	Low
April	2.22	2.22
May	2.18	1.99
June	2.00	1.93
July	2.09	1.91
August	2.14	1.93
September	1.99	1.86
October	2.09	1.72
November	1.99	1.65
December	2.53	2.29
January	2.9	2.8
February	2.41	2.22
March	2.10	2.09

## Annexure-3

## Shareholding Pattern as on March 31, 2021

CATEGORY	NO.OF HOLDERS	TOTAL SHARES	% TO EQUITY
Corporate Body - Foreign Body – Promoter	1	62596302	63.69
NRI - Repatriable – Promoter	1	8126383	8.27
Resident	23156	8520063	8.66
FI	3	42	0.00
NRI	35	2491390	2.54
Corporate Body	76	16509334	16.80
Clearing Member	4	16425	0.02
Mutual Funds	5	19300	0.02
TOTAL	23281	98279239	100

## List of Persons holding more than 1% if total number of shares as on March 31, 2021

Sl 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	3253560	3.31
3.	Sri Jaya Incorporated	1909750	1.9431

4.	Saraswathi Kuppaswami	1038700	1.0569
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#### Distribution Schedule of Share Holding as on March 31, 2021

Share or Debenture holding (Rs.)		No. of holders	% of Total holders	Total Amount (Rs.)	% of Total Amount
10	5000	22564	96.5098	8015550	0.8155
5001	10000	284	1.2147	2458780	0.2501
10001	20000	180	0.7698	2832690	0.2882
20001	30000	80	0.3421	2099820	0.2136
30001	40000	36	0.1539	1339860	0.1363
40001	50000	60	0.2566	2847100	0.2896
50001	100000	78	0.3336	5917370	0.6020
100001	And Above	98	0.4191	957281220	97.4042
<b>Total</b>		<b>23380</b>	<b>100.0000</b>	<b>982792390</b>	<b>100.0000</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.

#### Annexure-4

#### Dematerialization of Shares & Liquidity

At the end of March 31, 2021, shares comprising approximately 99.42% 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	580371	0.58
NSDL/CDSL	97698868	99.42
	<b>98279239</b>	<b>100.00</b>

## 42. Other Disclosures

- Related Party Transactions:**

The details pertaining to related party transactions are provided at Point No. 9 of the Board's Report.

- Details of Non-Compliances by the Company, Penalties, Strictures imposed on the Listed entity by the Stock Exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years:**

The Company has paid following penalties imposed by the Stock Exchanges in the last three years

S r . N o	Non-Compliance details	Penalties imposed by	Amount of Penalty
1	Regulation 23 (9) of LODR for the F.Y 2020-21	BSE Limited	Rs.230,100/-
2	Regulation 29 (2) of LODR for the F.Y 2020-21	BSE Limited	Rs. 11,800/-

- Whistle Blower policy:**

The company has introduced 'Whistle Blower Policy' by setting a vigil mechanism to enable anyone within the company and those dealing with the Company to voice their concern to the 'Ombudsmen of the Company' if they discover any information which he / she believes shows serious malpractice, impropriety, abuse of power and authority, financial wrongdoing or unethical conduct / practices, without fear of reprisal or victimization, subsequent discrimination or disadvantage.

The above policy provides for adequate safeguards against victimisation of persons who use such mechanism and make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional case.

No personnel have been denied access to the Audit Committee. The Whistle Blower Policy is displayed on the website of the Company ([https://restile.com/investordoc/Corporate%20Governance/WHISTLE\\_BLOWER\\_POLICY.pdf](https://restile.com/investordoc/Corporate%20Governance/WHISTLE_BLOWER_POLICY.pdf))

- Details of compliance with mandatory requirements and adoption of non-mandatory requirements:**



➤ **Mandatory requirements:**

The Company complies with all the mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with regard to Corporate Governance.

➤ **Compliance with Non-Mandatory Requirements:**

**The Board:** A separate Office is not maintained for the Non-Executive Chairman of the Company. The Composition of the Board of Directors, Committees of the Board are in line with the provisions of the Listing Agreement, the Companies Act, 2013 and other applicable laws.

**Shareholders' Rights:** The Financial performances of the Company on quarterly basis including a summary of significant events are published in English and Local Gujarati Newspaper. Hence, this information's are not sent to each household of shareholders individually.

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

• **Policy for determining 'material subsidiaries':**

The Company does not have any material subsidiary. Accordingly, the policy on material subsidiary has not been formulated.

• **Policy on dealing with 'related party transactions':**

The Company has formed the policy for determining 'related party transactions'. The same has been placed on the website of the Company and web-link to the same is as under:

[https://restile.com/investordoc/Corporate%20Governance/RTP\\_POLICY.pdf](https://restile.com/investordoc/Corporate%20Governance/RTP_POLICY.pdf)

• **Disclosure of commodity price risks and commodity hedging activities:** Not Applicable

• **Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A):** Not Applicable

• **Certificate from a Company Secretary in practice:**

The Company has received a certificate from M/s. Niraj Trivedi, Practicing Company Secretaries confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority.

• **Instances of not accepting any recommendation of the Committee by the Board:**

There is no such instance where Board had not accepted any recommendation of any committee of the Board whether mandatorily required or not, in the relevant financial year.

• **Fees to the Statutory Auditor of the Company:**

The total fees for all services paid to the Statutory Auditors of the Company is mentioned at Notes to Financial Statements.

The Company has not availed any services from the network firm/network entity of which the Statutory Auditors is a part.

- **Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is as below:**

- (a) Number of Complainants filed during the financial year : Nil
- (b) Number of Complainants disposed of during the financial year : Nil
- (c) Number of Complainants Pending as on end of the financial year : Nil

- **The Company has complied with all the requirements of Corporate Governance Report of sub-para (2) to (10) of Para C to Schedule V of the Listing Regulations, to the Extent applicable.**
- **The Company has complied with Corporate Governance requirements specified in Regulations 17 to 27 and 46(2)(b) to (i) of the Listing Regulations, to the Extent applicable.**

## **DISCRETIONARY REQUIREMENTS**

**The status of discretionary requirements adopted by the Company is as under:**

**(1) CHAIRMAN OF THE BOARD:**

The Chairman of the Board is a Non-Executive Chairman. The Company does not bear expenses towards maintenance of Chairman's Office.

**(2) UNMODIFIED OPINION:**

The Company has complied with the requirements for the Financial Statements for F.Y. 2020-21. The Statutory Auditors have given unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting.

**(3) SEPARATE POST OF CHAIRPERSON AND CEO:**

The Company has separate persons for the posts of Chairperson and Chief Executive Officer / Managing Director.

- **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.

• **Independent Directors' Meeting:**

The Independent Directors met on 06/02/2021 to carry out the evaluation for the financial year 2020-21 and inter alia, discussed the following:

- Evaluation of the performance of Non Independent Directors and the Board of Directors as a whole;
- Evaluation of the performance of the Chairman, taking into account the views of the Executive and Non-Executive Directors;
- Evaluation of quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonable perform its duties.
- During the financial year 2020-21, the Independent Directors meeting was held on 06/02/2021 All Independent Directors were present at the aforesaid meetings except Yash Kaishik Shah.

• **Details of Unclaimed Suspense Account:**

- aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year; -Nil
- number of shareholders who approached listed entity for transfer of shares from suspense account during the year;-Nil
- number of shareholders to whom shares were transferred from suspense account during the year; -Nil
- aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year; -Nil
- that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares. -Nil

**For and on behalf of  
the Board of Directors**

**Place : Chennai**

**Date : 22.06.21**

**Viren Rathod  
Managing Director  
(DIN 03407158)**

**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, 2021.

**For, RESTILE CERAMICS LIMITED**

Place: Chennai  
Date: 22.06.21

**Viren Rathod**  
**Managing Director**  
**(DIN: 03407158)**

**ANNEXURE-F CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE**

For the Financial Year ended March 31, 2021  
[pursuant to Schedule V - Part E of SEBI (Listing Obligations and Disclosure  
Requirements) Regulations, 2015]

The Members  
**Restile Ceramics Limited**

We have examined the compliance of the conditions of Corporate Governance by Alembic Limited ("Company") for the Financial Year ended March 31, 2021 ("period under review"), as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The Compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Governance. It is neither an audit nor an expression of an opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

We state that in respect of investor grievances received during the period under review, no such grievance is pending against the Company, as per the records maintained by the Company and presented to the Stakeholders Relationship Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Niraj Trivedi

Company Secretaries

ICSI Peer Review:

FCS No. 3844 | CP No. 3123

UDIN:

Place: Vadodara

Date:

#### **ANNEXURE-G CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

**(Pursuant to the Regulation 34 (3) and Schedule V Para C Clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To,

The Members of

**RESTILE CERAMICS LIMITED**

**(CIN: L26931GJ1986PLC102350)**

204, Sakar Complex, Opp. ABS Tower,

Vaccine Crossing, Old Padra Road,

Vadodara – 390015,

Gujarat.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Restile Ceramics Limited, having CIN:L26931GJ1986PLC102350 and having Registered Office situated at 204, Sakar Complex, Opp. ABS Tower, Vaccine Crossing, Old Padra Road, Vadodara – 390 015, Gujarat. (Hereinafter referred to as ‘the Company’), produced before me by the Company for the purpose of issuing this Certificate, in accordance with the Regulation 34(3) read with Schedule V Para C Clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (Including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company and its officers and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID – 19 pandemic, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021, has been debarred or disqualified from being appointed or continuing as the Director of the Company, by Securities and Exchange Board of India (SEBI), Ministry of Corporate Affairs (MCA) or any such other Statutory Authority:-

<b>Sr. No.</b>	<b>Name of the Directors</b>	<b>DIN</b>	<b>Date of Appointment in the Company*</b>
1	Nalinkant Amratlal Rathod	00272129	27.01.2003
2	Rajendra Prasad Kandikattu	00143653	31.01.2005
3	Gopalachari Padmanabhan	00101432	05.02.2005
4	NalandulaSrinivasarao Ramachandran	00089348	30.08.2008
5	Tenkasi Ramanarayanan Seetharaman	02385221	30.08.2008
6	Mani	02577983	30.01.2010
7	Bharati Nalin Rathod	02587701	29.09.2014
8	Shruti Rathod	01948999	06.01.2019
9	Yash Kaushik Shah	02155636	08.02.2019
10	Viren Rathod	03407158	04.05.2019

\* The date of appointment is as per the MCA Portal.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This Certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**DATE : 09<sup>TH</sup> JULY, 2021**

**ACE : VADODARA**

**SIGNATURE : Sd/-**

**NAME OF PCS : NIRAJ TRIVEDI**

**FCS : 3844**

**C. P. NO. : 3123**

**UDIN : F003844C000495324**

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INDEPENDENT AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE AS PER PROVISIONS OF CHAPTER IV OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 (AS AMENDED)

**TO THE MEMBERS OF RESTILE CERAMICS LIMITED**

1. The Corporate Governance Report prepared by RESTILE CERAMICS LIMITED ("the Company"), contains details as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('applicable criteria') with respect to Corporate Governance for the year ended March 31, 2021. This report is required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company.

**Management's Responsibility**

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation, and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

**Auditors' Responsibility**

4. Our responsibility is to provide a reasonable assurance in the form of an opinion whether the Company has complied with the condition of Corporate Governance, as stipulated in the Listing Regulation.

5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. The procedures include but not limited to verification of secretarial records and financial information of the Company and obtaining necessary representations and declarations from directors including independent directors of the Company.

8. The procedures also include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us



performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

### **Conclusion**

9. Based on the procedures performed by us as referred in paragraph 7 and 8 above and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2021, referred to in paragraph 1 above, except for the following

*a) the Company has not disclosed related party transactions on consolidated basis for half year ended on March 2020 and also not uploaded the same on website of the company and*

*b) there was delay of 40 days in disclosure of related party transactions on consolidated basis for the half year ended September 2020 as required under Regulation 23(9) of LODR.*

### **Other Matters and Restriction on use**

10. This Report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

11. This Report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this Report for events and circumstances occurring after the date of this Report.

For R. SUNDARARAJAN & ASSOCIATES  
Chartered Accountants  
Firm Registration No.08282S

S. Krishnan –Partner  
Membership No. 26452  
UDIN: 21026452AAAACP8746

22 June 2021  
Chennai

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF RESTILE CERAMICS LIMITED

#### Report on the audit of the Financial Statements

##### Qualified Opinion

We have audited the accompanying Financial Statements of **RESTILE CERAMICS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash flows for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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 Ind AS 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 Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended, ("Ind AS") and other Accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the loss and total comprehensive loss, changes in equity and its cash flows for the year ended on that date.

##### Basis for Qualified Opinion

(i)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.

(ii)The Company's building is carried in the books at a value of Rs. 635.06 lakhs as at March 31, 2021. Independent valuation of the same during an earlier year (2017) had indicated impairment in value of Rs.376.20 lakhs which ought to be recognized in the Statement of Profit and Loss. However, the Company has represented that 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 possible impairment in value of Property, plant and Equipment and that steps are being initiated to adjust the impairment in value against the reserve with the approval of appropriate authorities. Consequently, the said impairment in value of Building has not been recognized in the Financial Statements.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and

we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report

Key Audit Matter Description	Response to Key Audit Matter
<p><b>A. Revenue Recognition</b></p> <p>Reference may be made to note 1B.6 of significant accounting policies and note 3 to the financial statements of the Company.</p> <p>Revenue recognition is inherently an area of audit risk, which we have substantially focused on mainly covering the aspects of cut off. Considering the impact of Ind AS 115 and cut-off are key audit matters</p>	<p><b><u>Principal Audit Procedures</u></b></p> <p>Audit procedures relating to revenue comprised of test of controls and substantive procedures including the following:</p> <p>i. We performed procedures to assess the design and internal controls established by the management and tested the operating effectiveness of relevant controls related to the recognition of revenue.</p> <p>ii. Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls.</p> <p>iii. We have tested, on a sample basis, whether specific revenue transactions around the reporting date has been recognised in the appropriate period by comparing the transactions selected with relevant underlying documentation, including goods delivery notes, customer acknowledgement/proof of acceptance and the terms of sales.</p> <p>iv. We have also validated subsequent credit notes and sales returns up to the date of this</p>

	<p>Report to ensure the appropriateness and accuracy of the revenue recognition.</p> <p>v. We have tested journal entries on a sample basis to identify any unusual or irregular items.</p> <p>vi. We also considered the adequacy of the disclosures in Company's financial statements in relation to Ind AS 115 and were satisfied they meet the disclosure requirements.</p> <p><b><u>Conclusion</u></b></p> <p>Based on the procedures performed above, we did not find any material exceptions with regards to timing of revenue recognition and were satisfied they meet the disclosure requirements of Ind AS 115 Revenue From contracts with Customer.</p>
<p><b>B. Inventory valuation</b></p> <p>Reference may be made to note 3.10 of significant accounting policies and note 14 to the financial statements of the Company.</p> <p>➤ Under Ind AS 2 Inventories, materials and other supplies held for use in production are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost. The valuation of raw material and other supplies held for production have been an area of our focus in view of loss incurred and the inability to have operating margins. The valuation of finished goods has also been focused upon in view of the production of goods having ceased and the passage of time that has lapsed.</p> <p>➤ Also in view of the possible effect from the pandemic relating to COVID -19, it might be necessary assess that the net realisable value considered for write down of inventories considers possible decline in selling prices, or inventory obsolescence due to lower than expected sales.</p> <p>Considering the above risks valuation of Inventory in accordance with Ind AS 2 has</p>	<p><b><u>Principal Audit Procedures</u></b></p> <p>Our audit procedures comprised of the following:</p> <ol style="list-style-type: none"> <li>1. We performed procedures to assess the design and internal controls established by the management and tested the operating effectiveness of relevant controls related to the valuation of inventory.</li> <li>2. We have selected a sample of items of Raw materials and other supplies held for production to check whether the rate per unit adopted for valuation is reflective of the last purchase rate (Realizable price). Similarly, the rate per unit of various finished goods have been checked on a sample basis as to whether they reflect the net sale price (Realizable price).</li> <li>3. Also obtained management's assessment of impairment in the value of inventory carried in the books of accounts.</li> </ol> <p><b><u>Conclusion:</u></b></p> <p>Based on the procedures performed above, we have concluded that management has complied</p>

<p>thus been considered as a key audit matter.</p>	<p>with the measurement and disclosure requirements of IND AS 2 “Inventories”.</p>
<p><b>C. Impairment of Property Plant and Equipment</b></p> <p>The recoverable value of the Property Plant and Equipment requires significant judgment of the management and hence considered to be a significant matter.</p>	<p><b><u>Principal Audit Procedures</u></b></p> <p>We have performed the following list of audit procedures</p> <ol style="list-style-type: none"> <li>1. Evaluated the design and effectiveness of internal controls established by the Company relating to assessment of the impairment</li> <li>2. Obtained and evaluated the management’s assessment of impairment.</li> </ol> <p><b><u>Conclusion:</u></b></p> <p>Based on the procedures performed above, we have concluded that management has complied with the measurement and disclosure requirements of IND AS 16, except for the matters stated in the basis of qualified opinion paragraph above.</p>
<p><b>D. Non-Payment/belated payment of Statutory Dues</b></p> <p>Company has not paid/paid belatedly various Undisputed Statutory dues including Income Tax and applicable Value Added Tax.</p> <p>Payment of statutory dues regularly and within time reflects on the health of the company apart from the need for us to report on issues of non-compliance to members.</p> <p>We have, therefore, considered payment of statutory dues as a key audit matter.</p>	<p><b><u>Principal Audit Procedures</u></b></p> <p>We have performed the following list of audit procedures.</p> <ol style="list-style-type: none"> <li>1. Evaluated the design and effectiveness of internal controls established by the Company relating to compliance with statutory dues.</li> <li>2. Obtained details of payment of various statutory dues to be paid by company.</li> <li>3. Verified that whether company has been regular in payment of statutory dues.</li> </ol> <p><b><u>Conclusion</u></b></p> <p>Based on the above procedures performed, we noted that</p> <p>The payment of statutory dues depended upon availability of funds and is being paid</p>

	with applicable interest and delays noted are disclosed elsewhere in this report.
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### **Emphasis of Matter**

We draw your attention to Note 40 of the financial statements which explains the uncertainties and the management's assessment of the potential impact due to COVID-19 pandemic situation and consequent impact on the Company's results that are highly dependent upon future developments, that may differ from that estimated as at the date of approval of these financial statements owing to the nature and duration of COVID-19.

### **Information other than the Financial Statements and Auditor's Report thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures and Shareholder's Information but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

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 the financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using

the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143 (3) of the Companies Act, 2013, 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, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.
  - (d) In our opinion, *except for matters described in the Basis of Qualified Opinion Paragraph*, the aforesaid Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with the relevant rules issued thereunder.
  - (e) The matters described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
  - (f) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Companies Act, 2013.
  - (g) 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.
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with requirements of section 197(16) of the Act, as amended:
    - (i) In our opinion and to the best of our information and according to the explanations given to us, no remuneration other than applicable sitting fees has been paid by the Company to its directors during the year and hence the compliance with the provisions of the section 197 does not arise.



- (j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanation given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements. (Refer Note 35)
  - ii. The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31,2021.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order,2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For R. SUNDARARAJAN & ASSOCIATES**

Chartered Accountants  
Registration No. 08282S

**S. Krishnan**-Partner  
Membership No. 26452  
UDIN: 21026452AAAABY3662  
22.6.2021  
Vadodara

## **ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT**

**(Referred to in paragraph 1(g) 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”)**

We have audited the internal financial controls over financial reporting of Restile Ceramics Limited (“the Company”) as of March 31, 2021 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**

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**

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.

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.

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**

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**

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**

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, 2021:

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

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.

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 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, 2021, 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.

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, 2021, 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, 2021.

**For R. SUNDARARAJAN & ASSOCIATES**

Chartered Accountants

Registration No. 08282S

**S. Krishnan**

Partner

Membership No. 26452

UDIN: 21026452AAAABY3662

22.6.2021

Vadodara

## **ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT**

**(Referred to in paragraph 2 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, 2021)**

- (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) Physical verification of the fixed assets has not been conducted by the management during the year due to COVID -19 pandemic. The same will be done soon after normalcy is restored. Pending such physical verification and reconciliation, we are unable to state whether there is any material discrepancy between physical count and fixed assets records.
  - (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) As explained to us, the inventories have been physically verified by the management at the end of the year and the discrepancies noticed on such verification were not material and have been appropriately dealt with in the books of accounts.
- (iii) The Company has not granted any loans, secured or unsecured to firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) According to the information and explanation given to us, the Company has not granted during the year any loans, secured or unsecured, nor made investments, furnished guarantees or provided security to any party covered by provisions of sections 185 and 186 of the Companies Act, 2013. Hence reporting on whether there is a compliance with the said provisions does not arise.
- (v) According to information and explanations given to us, the Company has not accepted any deposits during the year and there are no unclaimed deposits as at March 31, 2021 to which the provisions of section 73 and section 76 or any other relevant provisions of the Companies Act are applicable. Accordingly, the provisions of clause (v) of paragraph 3 of the Order are not applicable to the Company.
- (vi) The maintenance of cost records for the year has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 considering the turnover from business activities carried out by the Company. Thus, reporting under clause 3(vi) of the order is 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, Goods and Service tax, and other statutory dues with the appropriate authorities during the year. The arrears of statutory dues outstanding for more than six months as at March 31, 2021 are:

<b>Nature of Dues</b>	<b>Amount (Rs. Lakhs)</b>
Sales Tax	6.00
Income Tax	1.51
AP Pollution Control Board	1.25
Southern Power Distribution Co of Telangana Ltd	3.16

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

- (b) There are no dues of income tax, service tax, excise duty, goods and services tax, cess and customs duty, which have not been deposited on account of any dispute.
- (viii) In our opinion and according to information and explanation given to us, the Company does not have loans or borrowing from government or financial institutions or banks.
- (ix) The Company has not raised any money by way of initial public offer or further public offers (including debt instruments) or term loans during the year. Hence reporting on utilization of such money under clause 3(ix) of the Order does not arise.
- (x) During the course of our examination of the books of account and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or material fraud on the Company by its officers or employees been noticed or reported during the year nor have we been informed of any such case by the Management.
- (xi) No Managerial remuneration is payable by the Company and accordingly, our reporting on compliance by the Company with the provisions of section 197 read with Schedule V of the Companies Act, 2013 does not arise.
- (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 all transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013, where applicable. The details of the transactions during the year have been disclosed in the financial statements as required by the applicable Indian Accounting Standards. (Refer note 33 to financial statements).

- (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. Hence reporting on whether there is compliance with provisions of section 192 of the Companies Act, 2013 does not arise.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For R. SUNDARARAJAN & ASSOCIATES**

Chartered Accountants

Firm Regn No: 08282S

S. Krishnan- Partner

Membership No: 26452

UDIN: 21026452AAAABY3662

Date: 22.6.2021

Place:Chennai

RESTILE CERAMICS LIMITED			
Balance Sheet as at March 31, 2021			
Rs. In Lakhs			
Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	1	1,317.08	1,889.02
(b) Capital work-in-progress	1	196.14	196.14
(c) Financial assets - Deposits	2	4.08	4.08
(d) Non current tax assets	3	0.46	0.44
		<b>1,517.76</b>	<b>2,089.68</b>
<b>Current assets</b>			
(a) Inventories	4	159.14	234.00
(b) Financial assets			
(i) Trade receivables	5	1.83	7.88
(ii) Cash and cash equivalents	6	1.02	0.18
(iii) Others	7	33.48	38.86
(c) Other current assets	8	49.63	55.79
		<b>245.10</b>	<b>336.71</b>
<b>TOTAL ASSETS</b>		<b>1,762.86</b>	<b>2,426.39</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity share capital	9	9,827.92	9,827.92
(b) Other equity	10	(12,136.67)	(11,466.21)
<b>TOTAL EQUITY</b>		<b>(2,308.75)</b>	<b>(1,638.29)</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
(a) Provisions	11	2.63	4.60
(b) Deferred tax liabilities (net)	12	-	-
		<b>2.63</b>	<b>4.60</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	13	3,918.62	3,922.12
(ii) Trade payables	14		
a) total outstanding dues of Micro, Small and Medium Enterprises		-	-
b) total outstanding dues to other than Micro, Small and Medium Enterprises		34.36	29.58
(iii) Other financial liabilities	15	106.63	98.78
(b) Provisions	16	0.57	0.77
(c) Other current liabilities	17	8.80	8.83
		<b>4,068.98</b>	<b>4,060.08</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,762.86</b>	<b>2,426.39</b>
Statement on Significant Accounting Policies and accompanying notes are an integral part of the Financial Statements			
As per our Report of even date attached			
<b>For R.SUNDARARAJAN &amp; ASSOCIATES</b>		<b>For and on behalf of the Board</b>	
Chartered Accountants			
Firm Registration No.082825			
<b>S.KRISHNAN</b>		<b>VIREN RATHOD</b>	
Partner		Managing Director	
Membership No.26452		DIN:03407158	
UDIN:		<b>N.S.MANI</b>	
		Director	
		DIN:02577983	
<b>Place: CHENNAI</b>		<b>TRIBHUVAN SIMH RATHOD</b>	
<b>Date: 22.6.21</b>		Chief Financial Officer	
		<b>S. RAVI KIRAN</b>	
		Company Secretary	



RESTILE CERAMICS LIMITED			
Statement of Profit and Loss for the year ended March 31, 2021			
			Rs. In Lakhs
Particulars	Note	As at March 31, 2021	As at March 31, 2020
<b>INCOME</b>			
Revenue from operations	18	182.54	207.93
Other income	19	0.43	9.47
<b>Total Income</b>		<b>182.97</b>	<b>217.40</b>
<b>EXPENSES</b>			
Cost of materials consumed	20	2.39	8.85
Purchase of traded goods	21	130.55	130.03
Changes in inventories of finished goods, work-in-progress and stock-in-trade	22	27.01	33.08
Employee benefits expense	23	41.25	35.64
Depreciation and amortisation expense	24	571.94	571.94
Other expenses	25	80.13	90.18
<b>Total expenses</b>		<b>853.27</b>	<b>869.72</b>
<b>Profit / (Loss) before exceptional items and tax</b>		<b>(670.30)</b>	<b>(652.32)</b>
Exceptional items		-	0.00
<b>Profit / (Loss) before tax</b>		<b>(670.30)</b>	<b>(652.32)</b>
<b>Tax expense:</b>			
- Current tax		-	-
- Deferred tax - Net		-	-
		-	-
<b>Profit / (Loss) for the year</b>		<b>(670.30)</b>	<b>(652.32)</b>
<b>Other Comprehensive Income</b>			
A. Items that will not be reclassified to Profit or Loss			
- Remeasurement of defined benefit plans		0.16	(0.39)
- Income tax on items that will not be reclassified to Profit or Loss		-	-
B. Items that will be reclassified to Profit or Loss			
- Income tax on items that will be reclassified to Profit or Loss		-	-
<b>Total Other Comprehensive Income</b>		<b>0.16</b>	<b>(0.39)</b>
<b>Total Comprehensive Income/(Loss) for the year</b>		<b>(670.46)</b>	<b>(651.93)</b>
<b>Earnings per equity share (Face Value of Rs. 10/- each)</b>			
- Basic and Diluted (in Rs.)	31	(0.68)	(0.66)
Statement on Significant Accounting Policies and accompanying notes are an integral part of the Financial Statements As per our Report of even date attached			
<b>For R.SUNDARARAJAN &amp; ASSOCIATES</b>		<b>For and on behalf of the Board</b>	
Chartered Accountants Firm Registration No.08282S			
<b>S.KRISHNAN</b> Partner Membership No.26452 UDIN:		<b>VIREN RATHOD</b> Managing Director DIN:03407158	<b>N.S.MANI</b> Director DIN:02577983
Place: CHENNAI Date:22.06.21		<b>TRIBHUVAN SIMH RATHOD</b> Chief Financial Officer	<b>S. RAVI KIRAN</b> Company Secretary

RESTILE CERAMICS LIMITED			
Statement of cash Flows for the Year ended 31st March ,2021			
Rs. In lakhs			
Particulars		Year ended March 31, 2021	Year ended March 31, 2020
Cash flow from operating activities			
Profit/ (Loss) before tax		(670.30)	(652.32)
Adjustments for -			-
Depreciation & Amortisation expense		571.94	571.94
Finance cost		-	0.01
Unclaimed balances written back		-	(9.43)
Interest income		(0.43)	(0.04)
Remeasurement of defined benefit plans		(0.16)	0.39
Operating profit/ (loss) before working capital changes		(98.95)	(89.45)
Adjustments for changes in -			
Trade receivables		6.05	(2.12)
Inventories		74.86	84.13
Non current and current Financial Assets		5.38	53.19
Other non current and current Assets		6.16	11.56
Trade payables		4.78	(56.53)
Non current and current Financial Liabilities		7.85	11.58
Other Non current and current Liabilities		(0.03)	(12.18)
Other Non current and Current provisions		(2.18)	(9.26)
Cash generated from operations		3.92	(9.08)
Income Tax (net)		-	-
Net cash from operating activities	A	3.92	(9.08)
Cash flow from Investing activities			
Interest Received		0.43	0.04
Net cash from investing activities	B	0.43	0.04
Cash flow from financing activities			
Proceeds from current Borrowings		-	-
Repayments of current Borrowings		(3.50)	(1.22)
Interest Paid		-	(0.01)
Net cash (used in) financing activities	C	(3.50)	(1.23)
Net increase/(decrease) in cash and cash equivalents	[A+B+C]	0.84	(10.28)
Cash and cash equivalents			
At beginning		0.18	10.46
At end		1.02	0.18
Statement on Significant Accounting Policies and accompanying notes are an integral part of the financial statements.			
As per our report of even date			
For R.SUNDARARAJAN & ASSOCIATES		For and on behalf of the Board	
Chartered Accountants			
Firm Registration No.082825			
S.KRISHNAN	VIREN RATHOD	N.S.MANI	
Partner	Managing Director	Director	
Membership No.26452	DIN:03407158	DIN:02577983	
UDIN:			
Place: chennai	TRIBHUVAN SIMH RATHOD	S. RAVI KIRAN	
Date: 22.06.21	Chief Financial Officer	Company Secretary	

**RESTILE CERAMICS LIMITED**
**Statement of Changes in Equity for the year ended March 31, 2021**
**A. Equity Share Capital**

Rs. in lakhs

Balance at the beginning of April 1, 2019	Changes in equity share capital during the year	Balance at the end of March 31, 2020	Changes in equity share capital during the year	Balance at the end of March 31, 2021
9,827.92	-	9,827.92	-	9,827.92

**B. Other Equity**

Rs. In Lakhs

Particulars	Capital Reduction Reserve	Retained Earnings	Total
	(i)	(ii)	
Balance at the beginning of April 1, 2019	754.44	(11,568.72)	(10,814.28)
Profit/(Loss) for the year	-	(652.32)	(652.32)
Other comprehensive income	-	0.39	0.39
<b>Total Comprehensive Income for the year</b>	-	(651.93)	(651.93)
Balance at the end of March 31, 2020	754.44	(12,220.65)	(11,466.21)
Profit/(Loss) for the year	-	(670.30)	(670.30)
Other comprehensive income	-	(0.16)	(0.16)
<b>Total Comprehensive Income/(Loss) for the year</b>	-	(670.46)	(670.46)
Balance at the end of March 31, 2021	754.44	(12,891.11)	(12,136.67)

Statement on significant Accounting Policies and accompanying notes are an integral part of the financial statements.

As per our Report attached

**For R.SUNDARARAJAN & ASSOCIATES**

Chartered Accountants

Firm Registration No.082825

**For and on behalf of the Board**
**S.KRISHNAN**

Partner

Membership No.26452

UDIN:

**VIREN RATHOD**

Managing Director

DIN:03407158

**N.S.MANI**

Director

DIN:02577983

**TRIBHUVAN SIMH RATHOD**

Chief Financial Officer

**S. RAVI KIRAN**

Company Secretary

Place :chennai

Date: 22.06.21

<b>RESTILE CERAMICS LIMITED</b> <b>Notes Annexed to and Forming part of the Financial Statements</b>									
<b>Note 1- PROPERTY, PLANT AND EQUIPMENT</b>									
Rs. In Lakhs									
2020-21	Gross Carrying Amount				Depreciation/Amortisation			Net Carrying Amount	
Description	As at 01.4.2020	Additions	(Deletions)	As at 31.3.2021	As at 01.4.2020	Charge during the year	Disposal	As at 31.3.2021	As at 31.3.2021
Land - Freehold land	65.11	-	-	65.11	-	-	-	-	65.11
Buildings	816.25	-	-	816.25	143.07	38.12	-	181.19	635.06
Plant and Equipment	2,999.76	-	-	2,999.76	1,849.03	533.82	-	2,382.85	616.91
Furniture and Fixtures	3.94	-	-	3.94	3.94	-	-	3.94	-
Vehicles	0.02	-	-	0.02	0.02	-	-	0.02	-
<b>Total</b>	<b>3,885.08</b>	<b>-</b>	<b>-</b>	<b>3,885.08</b>	<b>1,996.06</b>	<b>571.94</b>	<b>-</b>	<b>2,568.00</b>	<b>1,317.08</b>
Capital Work in Progress	196.14	-	-	196.14	-	-	-	-	196.14
2019-20	Gross Carrying Amount				Depreciation/Amortisation			Net Carrying Amount	
Description	As at 01.4.2019	Additions	(Deletions)	As at 31.3.2020	As at 01.4.2019	Charge during the year	Disposal	As at 31.3.2020	As at 31.3.2020
Land - Freehold land	65.11	-	-	65.11	-	-	-	-	65.11
Buildings	816.25	-	-	816.25	104.95	38.12	-	143.07	673.18
Plant and Equipment	2,999.76	-	-	2,999.76	1,315.21	533.82	-	1,849.03	1,150.73
Furniture and Fixtures	3.94	-	-	3.94	3.94	-	-	3.94	-
Vehicles	0.02	-	-	0.02	0.02	-	-	0.02	-
<b>Total</b>	<b>3,885.08</b>	<b>-</b>	<b>-</b>	<b>3,885.08</b>	<b>1,424.12</b>	<b>571.94</b>	<b>-</b>	<b>1,996.06</b>	<b>1,889.02</b>
Capital Work in Progress	196.14	-	-	196.14	-	-	-	-	196.14
<b>Note:</b> (a) Intermis of IndAs 101 and the clarification issued by the institute of Chartered Accountants of India, the company has elected the previous GAAP carrying amount (i.e. Gross cost less accumulated depreciation and impairment) of PPE as at April 1,2016 (transition date) as deemed cost and has accordingly disclosed the same as 'Deemed cost' as on 01.04.2016 (b) The Company has made an assessment of the PPE considering product and technological obsolescence, process change, replacement and realisable value as at 1.4.2016/31.03.2017. This revealed possible impairment in value of building aggregating Rs.376.20 Lakhs. In the light of balance in capital reduction reserve (Refer Note 10), this impairment of Rs.376.20 Lakhs has not been adjusted pending approval of the appropriate authorities. Impairment recognised during the year is Rs.Nil (2020-Nil). (c) Amount of contractual commitments for the acquisition of PPE [Refer Note 35 (c)] (d) During the year, exchange loss/ gain capitalised, borrowing cost capitalised and expenditure in the course of completion is Rs NIL (2019-20: Rs NIL)									

**RESTILE CERAMICS LIMITED****Notes Annexed to and Forming part of the Financial Statements**

	<b>Rs. In Lakhs</b>	
<b>Note 2 - NON-CURRENT FINANCIAL ASSET</b>	<b>As at March 31 2021</b>	<b>As at March 31 2020</b>
Security deposits		
- Considered Good	4.08	4.08
- Considered Doubtful	2.08	2.08
- Less: Provision for doubtful deposits	(2.08)	(2.08)
	-	-
<b>Total</b>	<b>4.08</b>	<b>4.08</b>

	<b>Rs. In Lakhs</b>	
<b>Note 3 - NON-CURRENT ASSET</b>	<b>As at March 31 2021</b>	<b>As at March 31 2020</b>
Income Tax Refund receivable	0.46	0.44
	0.46	0.44

	<b>Rs. In Lakhs</b>	
<b>CURRENT ASSETS</b>		
<b>Note 4 - INVENTORIES</b>	<b>As at March 31 2021</b>	<b>As at March 31 2020</b>
(a) Raw materials	45.31	47.70
(b) Work-in-progress	-	-
(c) Finished goods	78.80	105.81
(d) Stores and spares	35.03	80.49
	159.14	234.00

Note:

4.1. Cost of materials consumed (including cost of purchased goods) during the year is Rs.159.95 lakhs (2019-20 Rs.171.96 lakhs) reflected in Note 20, 21 and 22

4.2 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.

	<b>Rs. In Lakhs</b>	
<b>Note 5 - TRADE RECEIVABLES</b>	<b>As at March 31 2021</b>	<b>As at March 31 2020</b>
Trade Receivables - Unsecured Considered Good		
-Related Parties	-	-
-Others	1.83	7.88
<b>Total</b>	<b>1.83</b>	<b>7.88</b>

**RESTILE CERAMICS LIMITED****Notes Annexed to and Forming part of the Financial Statements**

		Rs. In Lakhs	
		As at March 31 2021	As at March 31 2020
<b>Note 6 - CASH AND CASH EQUIVALENTS</b>			
Balances with banks in current account		0.74	0.18
Cash on hand		0.28	-
<b>Total</b>	<b>Total</b>	<b>1.02</b>	<b>0.18</b>

		Rs. In Lakhs	
		As at March 31 2021	As at March 31 2020
<b>Note 7 - CURRENT FINANCIAL ASSETS - OTHERS</b>			
Unsecured, considered good			
(a) Interest accrued on deposits		0.21	-
(b) Receivable for sale of machinery-Due from Related Party*		33.27	38.86
	<b>Total</b>	<b>33.48</b>	<b>38.86</b>

\* Refer Note 33.1

		Rs. In Lakhs	
		As at March 31 2021	As at March 31 2020
<b>Note 8 - OTHER CURRENT ASSETS</b>			
(Unsecured, considered good)			
a) Prepaid expenses		-	0.08
b) Balances with Government authorities - GST Credit		49.63	55.71
	<b>Total</b>	<b>49.63</b>	<b>55.79</b>

**RESTILE CERAMICS LIMITED****Notes Annexed to and Forming part of the Financial Statements**

<b>Note 9 - EQUITY SHARE CAPITAL</b>	<b>As at March 31 2021</b>	<b>Rs. In Lakhs</b>
		<b>As at March 31 2020</b>
<u>Authorised</u>		
10,00,00,000 (2020: 10,00,00,000) Equity shares of Rs.10 each with voting rights.	10,000.00	10,000.00
9,82,79,239 (2020: 9,82,79,239) Equity shares of Rs.10 each with voting rights	9,827.92	9,827.92
<u>Subscribed and fully paid up</u>		
9,82,79,239 (2020: 9,82,79,239) 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>

**Notes:****9.1 Reconciliation of the number of equity shares as at the beginning and end of the year.**

	<b>No. of Shares</b>	<b>In Lakhs</b>
	<b>No. of Shares</b>	<b>No. of Shares</b>
Opening balance	982.79	982.79
Add: Shares issued during the period/year	-	-
<b>Balance as at end</b>	<b>982.79</b>	<b>982.79</b>

**9.2 Details of shareholders holding more than 5% equity shares in the company.**

<b>Name of shareholder</b>	<b>%</b>	<b>No. of shares</b>	<b>%</b>	<b>In Lakhs</b>
				<b>No. of shares</b>
1. Mr Nalinkant Amratlal Rathod	8.27	81.26	8.27	81.26
2. Solomed Capital Pte Ltd- Holding Company	63.69	625.96	63.69	625.96
3.Spring Board Pacific Enterprised Inc.	14.58	143.36	14.58	143.36

**9.3 Rights, preferences and restrictions in respect of equity shares issued by the Company**

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 / in terms of their issue under the the provisions of the Companies Act, 2013.

**9.4 Shares issued in preceeding 5 years**

Aggregate number of shares allotted as fully paid up pursuant to contract without payment being receivede on cash,bonus shares and shares bought back in the 5 years immediately preceeding the Balance Sheet date- Nil ( 2020-Nil)

**RESTILE CERAMICS LIMITED****Notes Annexed to and Forming part of the Financial Statements**

		Rs. In Lakhs	
<b>Note 10 - OTHER EQUITY</b>		<b>As at March 31 2021</b>	<b>As at March 31 2020</b>
A) Capital Reduction Reserve	A	754.44	754.44
B) Retained earnings	B	(12,891.11)	(12,220.65)
<b>Total</b>		<b>(12,136.67)</b>	<b>(11,466.21)</b>

**Notes:**

10.1 Capital Reduction Reserve of Rs.754.44 lakhs 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 and represents a reserve created towards adjustment of possible impairment in value of Property, Plant and Equipment under the rehabilitation scheme sanctioned by BIFR. Independent Valuation carried out has indicated impairment in value of building as at April 1,2017 to the extent of Rs.376.20 lakhs only. Steps are being initiated to adjust the impairment in value against the reserve with the approval of appropriate authorities.

10.2. Retained earnings represent surplus/ (deficit) in the Statement of Changes in Equity column (B).

10.3. Capital Subsidy from the Government of India has been adjusted under retained earnings as per the provisions of Ind AS 101 'First time adoption of Ind AS'.

		Rs. In Lakhs	
<b>Note 11 - NON-CURRENT PROVISIONS</b>		<b>As at March 31 2021</b>	<b>As at March 31 2020</b>
Provision for employee benefits:			
a) Gratuity		2.38	4.17
b) Leave Encashment		0.25	0.43
<b>Total</b>		<b>2.63</b>	<b>4.60</b>

11.1 Details of provisions at the beginning and end of the year of employee benefits detailed in Note 11 and Note 16.

Particulars	Balance as at 31.03.2020	Addition/ (Reversal)	Balance as at 31.03.2021
Gratuity	4.78	(1.96)	2.82
Leave encashment	0.59	(0.21)	0.38



**RESTILE CERAMICS LIMITED****Notes Annexed to and Forming part of the Financial Statements**

<b>Note 12 - DEFERRED TAX LIABILITY</b>	<b>Rs. In Lakhs</b>	
	<b>As at March 31 2021</b>	<b>As at March 31 2020</b>
Deferred Tax (Assets)	(98.84)	(211.77)
Deferred Tax Liability	98.84	211.77
<b>Total</b>	<b>-</b>	<b>-</b>

Refer Note 27.1 for details

<b>Note 13 - CURRENT FINANCIAL LIABILITIES-BORROWINGS</b>	<b>Rs. In Lakhs</b>	
	<b>As at March 31 2021</b>	<b>As at March 31 2020</b>
Unsecured- Related Parties (Refer Note 33.1)		
- From Directors*	3,918.62	3,922.12
<b>Total</b>	<b>3,918.62</b>	<b>3,922.12</b>

\* Interest Free borrowing from directors

**RESTILE CERAMICS LIMITED****Notes Annexed to and Forming part of the Financial Statements**

	Rs. In Lakhs	
<b>Note 14 - CURRENT FINANCIAL LIABILITIES- TRADE PAYABLES</b>	<b>As at March 31 2021</b>	<b>As at March 31 2020</b>
Trade Payables		
a) Total outstanding dues of micro enterprises and small enterprises *	-	-
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	34.36	29.58
<b>Total</b>	<b>34.36</b>	<b>29.58</b>

\*Refer Note 26

	Rs. In Lakhs	
<b>Note 15 - CURRENT FINANCIAL LIABILITIES - OTHER FINANCIAL LIABILITIES</b>	<b>As at March 31 2021</b>	<b>As at March 31 2020</b>
a) Dues to employees	32.93	27.81
b) Creditors for expenses	12.72	10.07
c) Security Deposits	45.50	45.50
d) Refund Liabilities	15.34	15.26
e) Others	0.14	0.14
<b>Total</b>	<b>106.63</b>	<b>98.78</b>

**RESTILE CERAMICS LIMITED****Notes Annexed to and Forming part of the Financial Statements**

<b>Note 16 - CURRENT PROVISIONS</b>	<b>Rs. In Lakhs</b>	
	<b>As at March 31 2021</b>	<b>As at March 31 2020</b>
<b>Provision for employee benefits:</b>		
a) Gratuity	0.44	0.61
b) Leave encashment	0.13	0.16
<b>Total</b>	<b>0.57</b>	<b>0.77</b>

16.1. Refer Note 11.1 with regard to movement in provisions

<b>Note 17 - OTHER CURRENT LIABILITIES</b>	<b>Rs. In Lakhs</b>	
	<b>As at March 31 2021</b>	<b>As at March 31 2020</b>
Statutory dues	8.80	8.83
<b>Total</b>	<b>8.80</b>	<b>8.83</b>

**RESTILE CERAMICS LIMITED****Notes forming part of the financial statements****Note 18 Revenue from Operations**

<b>Rs. In Lakhs</b>		
<b>Particulars</b>	<b>Year ended 31 March, 2021</b>	<b>Year ended 31 March, 2020</b>
(a) Sale of Goods		
- Virtrified Tiles	147.37	197.21
- Spares	-	-
(b) Other Operating Revenue		
- Others	35.17	10.72
<b>Total</b>	<b>182.54</b>	<b>207.93</b>

**Note 19 Other income**

<b>Rs. In Lakhs</b>		
<b>Particulars</b>	<b>Year ended 31 March, 2021</b>	<b>Year ended 31 March, 2020</b>
(a) Interest income	0.43	0.04
(b) Unclaimed balances written back	-	9.43
<b>Total</b>	<b>0.43</b>	<b>9.47</b>

**RESTILE CERAMICS LIMITED**
**Notes forming part of the financial statements**
**Note 20. Cost of Materials consumed**

Rs. In Lakhs		
Particulars	Year ended 31 March, 2021	Year ended 31 March, 2020
Opening stock	47.70	56.55
Add: Purchases	-	-
Less: Closing stock	45.31	47.70
<b>Cost of material consumed</b>	<b>2.39</b>	<b>8.85</b>

20.1. Value of Indigenous material in consumption (100%) 2.39 8.85

**Note 21. Purchase of Stock In Trade**

Rs. In Lakhs		
Particulars	Year ended 31 March, 2021	Year ended 31 March, 2020
Unglazed fully vitrified ceramic Tiles	130.55	130.03
<b>Total</b>	<b>130.55</b>	<b>130.03</b>

**Note 22.Changes in inventories of finished goods and work-in-progress**

Rs. In Lakhs		
Particulars	Year ended 31 March, 2021	Year ended 31 March, 2020
<u>Inventories at the beginning of the year:</u>		
Finished goods	105.81	127.73
Work-in-progress	-	11.16
	<b>105.81</b>	<b>138.89</b>
<u>Inventories at the end of the year:</u>		
Finished goods	78.80	105.81
Work-in-progress	-	-
	<b>78.80</b>	<b>105.81</b>
Decrease in value of Finished goods and Work-in-process	<b>27.01</b>	<b>33.08</b>

**RESTILE CERAMICS LIMITED****Notes forming part of the financial statements****Note 23 Employee benefits expense****Rs. In Lakhs**

<b>Particulars</b>	<b>Year ended 31 March, 2021</b>	<b>Year ended 31 March, 2020</b>
Salaries, Wages and Bonus	37.97	32.18
Contributions to provident and other funds	1.15	1.27
Gratuity	0.78	0.78
Staff welfare expenses	1.35	1.41
<b>Total</b>	<b>41.25</b>	<b>35.64</b>

**RESTILE CERAMICS LIMITED****Notes forming part of the financial statements****Note 24 Depreciation and Amortisation Expense****Rs. In Lakhs**

<b>Particulars</b>	<b>Year ended 31 March, 2021</b>	<b>Year ended 31 March, 2020</b>
(a) Buildings	38.12	38.12
(b) Plant and Equipment	533.82	533.82
(c) Furniture and Fixtures	-	-
<b>Total</b>	<b>571.94</b>	<b>571.94</b>

**RESTILE CERAMICS LIMITED**  
**Notes forming part of the financial statements**

**Note 25 Other expenses**

**Rs. in lakhs**

<b>Particulars</b>	<b>Year ended 31 March, 2021</b>	<b>Year ended 31 March, 2020</b>
Consumption of stores and spare parts	45.46	42.19
Power and fuel	6.62	9.17
Rent	0.24	0.24
Repairs and maintenance - Others	1.19	1.17
Insurance	0.41	0.61
Rates and taxes	7.08	8.30
Communication expenses	0.69	0.75
Business promotion	0.35	4.22
Legal and professional	3.29	4.35
Payments to auditors	4.50	4.00
Directors Sitting Fees	1.40	2.07
Vehicle expenses	0.58	0.13
Listing Fees	4.50	4.50
AGM Expenses	1.13	6.95
Bad debts written off	1.47	-
Bank Charges	0.01	0.01
Miscellaneous expenses	1.21	1.52
<b>Total</b>	<b>80.13</b>	<b>90.18</b>

**25.1 Payments to the auditors comprises :**

**Rs. In Lakhs**

<b>Particulars</b>	<b>Year ended 31 March, 2021</b>	<b>Year ended 31 March, 2020</b>
- Towards Statutory Audit	3.50	3.50
- Towards Tax Audit		
- FY 2019-20	0.50	-
- FY 2018-19	-	0.50
- FY 2017-18	0.50	-
<b>Total</b>	<b>4.50</b>	<b>4.00</b>

**25.2 Rent expense represents rent on low value assets**



**Restile Ceramics Limited****Notes annexed to and forming part of the Financial Statements**

- 26** The company has not received any information from the "suppliers" regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any relating to the amount unpaid as at the end of the year together with interest paid/payable if any under the said Act have not been furnished.

**27 Income taxes**

There is no tax for the current year as per the Income Tax Act, 1961, considering the allowances/exemptions and consequently, the tax effect on the components in Other Comprehensive income is nil. The total income tax recognised on the statement of profit and loss is Nil (2020-Nil).

**27.1 Deferred tax balances**

The following is the analysis of deferred tax presented in the Statement of financial position:

**Opening balance****Impact in Statement of Profit and Loss**

Timing differences relating to Property, Plant and Equipment -

Deferred tax liability

Unabsorbed Losses/Depreciation, Deferred tax asset (restricted to)

**Closing balance**

	March 31, 2021	Rs. In Lakhs March 31, 2020
Opening balance	-	-
Impact in Statement of Profit and Loss	-	-
Timing differences relating to Property, Plant and Equipment -	(98.84)	(211.77)
Deferred tax liability		
Unabsorbed Losses/Depreciation, Deferred tax asset (restricted to)	98.84	211.77
Closing balance	-	-

**27.2 Unrecognised deductible temporary differences and unused tax losses**

Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:

- Unused tax losses

- Unabsorbed depreciation

	March 31, 2021	Rs. In Lakhs March 31, 2020
Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:		
- Unused tax losses	1,955.81	2,514.64
- Unabsorbed depreciation	9,892.23	9,594.53
	<b>11,848.04</b>	<b>12,109.17</b>

Note: The unused tax losses will expire in various years upto Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases and unutilised depreciation carry forward.

Considering the provisions of Ind AS12 'Income taxes' and as a matter of prudence, accrual of deferred tax asset as at March 31, has been restricted to the amount of deferred tax liability.

**28 Retirement benefit plans*****Defined contribution plans***

In accordance with Indian law, eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The contributions, as specified under the law, are made to registered provident fund administered by the Government.

The total expense recognised in profit or loss of Rs.1.15 lakhs (for the year ended March 31, 2020: Rs.1.27 lakhs) represents contribution payable to these plans by the Company at rates specified in the rules of the plan.

***Defined benefit plans***

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at retirement, death, while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation.

Company's liability towards gratuity (unfunded), other retirement benefits and compensated absences are actuarially determined at each reporting date using the projected unit credit method.

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk/Interest risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit. Not applicable to the company since it is unfunded.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability. The Company is not exposed to risk of the employees living longer as the benefit under the scheme ceases on the employee separating from the employer for any reason.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

**28 Retirement benefit plans continued...**

The principal assumptions used for the purposes of the actuarial valuations were as follows.

	Rs. In Lakhs	
	March 31, 2021	March 31, 2020
<b>Gratuity and Compensated absences</b>		
Discount rate(s)	5.61%	5.68%
Expected rate(s) of salary increase	3.00%	3.00%
Attrition rate	10.00%	10.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:

	Rs. In Lakhs	
	March 31, 2021	March 31, 2020
<b>Gratuity</b>		
Current service cost	0.53	0.49
Past service cost	-	-
Net interest expense	0.25	0.29
<b>Components of defined benefit costs recognised in profit or loss</b>	<b>0.78</b>	<b>0.78</b>

The above expense for the year are included under 'Contribution to provident, gratuity and other funds' in the 'employee benefits expense' in statement of profit or loss.

Remeasurement on the net defined benefit liability comprising:

Actuarial (gains)/losses arising from changes in demographic assumptions	-	-
Actuarial (gains)/losses arising from changes in financial assumptions	0.01	0.32
Actuarial (gains)/losses arising from experience adjustments	0.15	(0.71)
Return on plan assets (excluding amounts included in net interest expense)		
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>0.16</b>	<b>(0.39)</b>
<b>Total</b>	<b>0.94</b>	<b>0.39</b>

The remeasurement of the net defined benefit liability is included in other comprehensive income.

**Compensated Absences**

Current service cost	0.14	0.13
Net interest expense	0.03	0.03
Actuarial (gains)/losses arising from changes in demographic assumptions	-	-
Actuarial (gains)/losses arising from changes in financial assumptions	-	0.04
Actuarial (gains)/losses arising from experience adjustments	(0.10)	(0.14)
<b>Recognised in profit or loss</b>	<b>0.07</b>	<b>0.06</b>

The above expenses for the year are included under 'Salaries, wages and bonus' in the 'employee benefits expense' in statement of profit or loss.

The amount included in the statement of financial position arising from the Company's obligation in respect of its defined benefit plans is as follows:

	Rs. In Lakhs	
	March 31, 2021	March 31, 2020
<b>Gratuity</b>		
Present value of defined benefit obligation	2.82	4.78
Fair value of plan assets	-	-
<b>Net liability arising from defined benefit obligation (unfunded)</b>	<b>2.82</b>	<b>4.78</b>
<b>Compensated Absences</b>		
Present value of defined benefit obligation	0.38	0.59
Fair value of plan assets	-	-
<b>Net liability arising from defined benefit obligation (unfunded)</b>	<b>0.38</b>	<b>0.59</b>

The above provisions are reflected under 'Provision for employee benefits' in "other non-current provisions" and in "Current provisions". [Refer note 11 and 16]

Movements in the present value of the defined benefit obligation in the current year were as follows:

	March 31, 2021	Rs. In Lakhs March 31, 2020
<b>Gratuity</b>		
Opening defined benefit obligation	4.78	4.39
Current service cost	0.53	0.49
Interest cost	0.25	0.29
Actuarial (gains)/losses arising from changes in demographic assumptions	-	-
Actuarial (gains)/losses arising from changes in financial assumptions	0.01	0.32
Actuarial (gains)/losses arising from experience adjustments	0.15	(0.71)
Benefits paid	(2.90)	-
<b>Closing defined benefit obligation</b>	<b>2.82</b>	<b>4.78</b>
<b>Compensated Absences</b>		
Opening defined benefit obligation	0.59	0.53
Current service cost	0.14	0.13
Interest cost	0.03	0.03
Actuarial (gains)/losses arising from changes in demographic assumptions	-	-
Actuarial (gains)/losses arising from changes in financial assumptions	-	0.04
Actuarial (gains)/losses arising from experience adjustments	(0.10)	(0.14)
Benefits paid	(0.28)	-
<b>Closing defined benefit obligation</b>	<b>0.38</b>	<b>0.59</b>

Movements in the fair value of the plan assets in the current year were as follows:

	March 31, 2021	Rs. In Lakhs March 31, 2020
<b>Gratuity</b>		
Opening fair value of plan assets	-	-
Return on plan assets (excluding amounts included in net interest expense)	-	-
Contributions	-	-
Benefits paid	-	-
Others	-	-
Closing fair value of plan assets	-	-

The actual return on plan assets was Nil (2018-19: Nil)

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumption occurring at the end of the reporting period, while holding all other assumptions constant.

	March 31, 2021	Rs. In Lakhs March 31, 2020
<b>Gratuity</b>		
If the discount rate is 100 basis points higher/lower, the defined benefit obligation would:		
decrease to	0.13	0.24
increase to	(0.11)	(0.21)
If the expected salary increases/decreases by 100 basis points, the defined benefit obligation would:		
increase to	0.12	0.23
decrease to	(0.12)	(0.21)
<b>Compensated Absences</b>		
If the discount rate is 100 basis points higher/lower, the defined benefit obligation would:		
decrease to	(0.02)	0.03
increase to	0.01	(0.02)
If the expected salary increases/decreases by 100 basis points, the defined benefit obligation would:		
increase to	0.02	0.03
decrease to	(0.01)	(0.02)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from previous year.

Expected Payout	Rs. In Lakhs					
Years	Expected Outgo first	Expected Outgo second	Expected Outgo third	Expected Outgo fourth	Expected Outgo fifth	Expected Outgo six to ten years
Payouts	0.44	0.28	0.26	0.25	0.25	2.08

Weighted Average remaining duration of Defined benefit obligation as at March 31, 2021 is 4.39 ( as at March 31, 2020 : 5.00)

**Restile Ceramics Limited****Notes annexed to and forming part of the Financial Statements**

<b>29</b>	<b>Earnings per share</b>	<b>Year ended March 31, 2021</b>	<b>Year ended March 31, 2020</b>
	Basic and diluted earnings per share (Rs.)	(0.68)	(0.66)
	Face value per share (Rs.)	10.00	10.00
<b>29.1</b>	<b><i>Basic and diluted earnings per share</i></b>		
	Profit for the year attributable to equity shareholders (Rs. In Lakhs)	(670.30)	(652.32)
	Weighted average number of equity shares used in the calculation of basic and diluted earnings per share (Nos. In Lakhs)	982.79	982.79

<b>Restile Ceramics Limited</b> <b>Notes annexed to and forming part of the Financial Statements</b>			
<b>30 Segment Information</b>			
<p>The Board of Directors of the Company, being the Chief Operating Decision Maker ('CODM'), based on the internal business reporting system, identified that the Company has only one segment viz. vitrified tiles including Feldspar, a raw material used in vitrified. Accordingly, there are no other reportable segments in terms of Ind AS 108 'Operating Segments'. The Company is operating only in India, accordingly no geographical areas disclosures.</p>			
<b>31 Information about major customers- Disclosure of amount of revenues from transactions with single customer amounting to 10% or more of the Company revenue whose identities are chosen not be disclosed.</b>			
Revenue from Customer 1- Rs. 31.19 Lakhs Revenue from Customer 2- Rs. 28.38 Lakhs Revenue from Customer 3- Rs. 18.76 Lakhs			
<b>32 Financial risk management objectives and policies</b>			
<p>The Company's principal financial liabilities, comprise of loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company is exposed to market risk, credit risk, and liquidity risk.</p> <p>The Company's risk management is undertaken by the management under the guidelines and framework approved by the financial risk committee. Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives which is reviewed and adopted by The Board of Directors for managing each of these risks, which are summarised below.</p>			
<b>A) Market risk</b>			
<p>Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include Borrowings, Advances and deposits.</p>			
<b>(i) Foreign Currency Risk</b>			
<p>There are no foreign currency transactions during the year.</p>			
<b>ii) Interest rate risk</b>			
<p>There is no exposure to interest rate risk for the current and previous year as there are only short term borrowings. There are no borrowings from banks and thus there is no impact on interest rate risks.</p>			
<b>iii) Other Price risk</b>			
<p>There are no Equity price risk as there are no investments.</p>			
<b>B) Credit Risk</b>			
<p>Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, resulting in a financial loss to the Company. Credit risk arises from outstanding trade receivables.</p> <p>The Company operates predominantly on cash and carry basis except to certain customers which are on credit basis. The average credit period is in the range of upto 90 days. Customer credit risk is managed based on the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored.</p> <p>An impairment analysis is performed at each reporting date on an individual basis for major clients. The Company makes an allowance for doubtful debts on a case to case basis. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets. During the period the Company has written off certain trade receivables. It does not expect to receive future cash flows or recoveries from cash flows previously written off.</p>			
<b>C) Liquidity risk</b>			
<p>Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company has obtained fund and non-fund based working capital limits from banks. The Company invests its surplus funds in bank fixed deposit which carry minimal mark to market risks.</p> <p>The table below summarises remaining contractual maturities of significant financial liabilities as at the balance sheet date based on undiscounted cash flows. Balance due within 12 months equal their carrying amounts as their impact of discounting is not significant.</p>			
<b>Rs. In Lakhs</b>			
<b>Contractual Maturities of financial liabilities</b>	<b>1 to 3 years</b>	<b>Beyond 3 years</b>	<b>Total</b>
<b>As at March 31, 2021</b>			
Security deposits received from dealers	45.50	-	45.50
Trade Payables	34.36	-	34.36
Loans repayable to Directors	3,918.62	-	3,918.62
Dues to employees	32.93	-	32.93
Refund liabilities	15.34	-	15.34
Creditors for expenses	12.72	-	12.72
Others	0.14	-	0.14
<b>As at March 31, 2020</b>			
Security deposits received from dealers	45.50	-	45.50
Trade Payables	29.58	-	29.58
Loans repayable to Directors	3,922.12	-	3,922.12
Dues to employees	27.81	-	27.81
Refund liabilities	15.26	-	15.26
Creditors for expenses	10.07	-	10.07
Others	0.14	-	0.14

**32.1 Fair Value Measurements**

The management considered that the carrying amounts of financial asset and financial liabilities recognised in the financial statements approximate their fair values so no further disclosure is given.

32.2 Financial Instruments by Category	Rs. In Lakhs	
	31-Mar-21 Amortised Cost	31-Mar-20 Amortised Cost
<b>Non-current Assets</b>		
Financial assets - Deposits	4.08	4.08
<b>Current Assets</b>		
(i) Trade receivables	1.83	7.88
(ii) Cash and cash equivalents	1.02	0.18
(iii) Bank balances other than (ii) above	-	-
(iv) Others	33.48	38.86
<b>Current Liabilities</b>		
(i) Borrowings	3,918.62	3,922.12
(ii) Trade payables	34.36	29.58
(iii) Other financial liabilities	106.63	98.78

**32.3 Capital Management**

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company's objective when managing capital are to ensure their ability to continue as going concern, so that they can leverage maximise returns for shareholders and benefits of other stakeholders; and to maintain an optimal capital structure to reduce cost of capital. Capital management and funding requirements is met through equity, internal accruals and long term debt instruments. The Company monitors capital management through gearing ratio which considers Debt (net of cash and cash equivalents) and equity.

Particulars	Rs. in lakhs	
	March 31, 2021	March 31, 2020
Net debt	3,918.62	3,922.12
Equity	(2,308.75)	(1,638.29)
Gearing ratio	NA	NA

Considering the equity being negative, the gearing ratio is not arrived at.

**Restile Ceramics Limited****Notes annexed to and forming part of the Financial Statements****33 Related party disclosure****Holding Company**

Solomed Capital Pte. Ltd

**Companies under Common Control**

Transmedica (India) Limited.

Sologuard Medical Devices (P) Limited

Athreya Finance Pvt Ltd

Bell Granito Ceramica Limited

**Key management personnel**

Mr. Viren Rathod - Managing Director

Mr.Nalinkant Amratlal Rathod - Chairman

Mr. Tribhuvan Simh Rathod - Chief Financial Officer from May 2019

Ms.Bharathi Rathod - Director

Ms. Swinky Bathla (Company Secretary upto upto September 2019)

Mr.Ravi Kiran -Compliance Officer and Company Secretary

As per section 149(6) of the Companies Act 2013, Independent Directors are not considered as "Key Managerial Personnel".Also, considering the roles and functions of Independent directors stated under Schedule IV of the Companies Act 2013, they have not been disclosed as "Key Managerial Personnel" for the purpose of disclosure requirements of Ind AS 24 "Related Parties".



**Restile Ceramics Limited**
**Notes annexed to and forming part of the Financial Statements**
**33.1 Related Party Transactions and Outstanding Balances - summary**

	Rs. In Lakhs	
Particulars	2021	2020
<b>i) Companies under Common control</b>		
<u>Bell Granito Ceramica Ltd</u>		
a) Purchase of Materials	130.54	130.49
b) Sales	31.20	10.72
d) Receivables from BGCL	33.27	38.86
<b>(ii) Key management Personnel</b>		
<u>Mr. Tribhuvan Simh Rathod (Chief Financial Officer from May 2019)</u>		
a) Remuneration	2.40	1.78
b) Gratuity Payable	6.69	6.69
c) Loans Received during the year		-
d) Repayment of Loans during the year		-
<u>Mr. Subba Rao Maddula (Chief Financial Officer upto May 2019)</u>		
a) Remuneration	-	0.13
b) Remuneration payable	6.64	6.64
<u>Ms. Bharati Rathod</u>		
Loan repaid during the year	1.50	1.21
Loan outstanding	1,580.89	1,582.39
<u>Ms. Shruti Rathod</u>		
Loans Paid during the year	2.00	-
Loan outstanding	2,337.74	2,339.74
<u>Ms. Swinky Bathla (Company Secretary upto upto September 2019)</u>		
a) Remuneration	-	0.90
b) Remuneration payable	-	-
<u>Mr. Ravi Kiran - Compliance Officer and Company Secretary from May 2020</u>		
a) Remuneration	2.20	-
b) Remuneration payable	-	-

Companies under Common control with whom there are no transactions :-

- (i) Sologuard Medical Devices (P) Limited
- (ii) Transmedica (India) Limited.
- (iii) Athreya Finance Pvt Ltd

**34** Disclosure as required under section 186(4) of the Companies Act, 2013 is not applicable as there are no loans, investments or guarantees.

Rs. In Lakhs			
35	Contingent liabilities and Commitments	As at March 31, 2021	As at March 31, 2020
	Claims against the Company not acknowledged as debts		
	Income Tax	-	-

(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 assets continue in possession of and properly reflected in the account, of the Company.

(b) The Company had sold a machinery in June 2017. The VAT portion on the sale is Rs. 20.07 lakhs of which Rs.6 lakhs is pending as at March 31, 2021. The interest amount on the tax amount pending is indeterminate.

(c) Capital commitments (net of Advances) not provided for Rs.Nil (2020-Rs.Nil)

Note: Further cash outflows in respect of above are determinable only on receipt of judgement/ decisions pending with various forums/ authorities.

**36 Corporate Social Responsibility Obligation (CSR)**

The Provisions of section 135 of the Companies Act 2013, (Corporate Social Responsibility) are not applicable to the company for current and previous financial year.

37 Revenue from contract with customers

a) Disaggregated revenue information

Rs. In lakhs		
Particulars	March 31,2021	March 31,2020
Type of goods and service		
a) Sale of products		
- Virtrified Tiles	147.37	197.21
- Spares	-	-
b) Other operating revenues		
- Others	35.17	10.72
Less: Rebates and discounts	-	-
Total revenue from contract with customers	182.54	207.93
India	182.54	207.93
Outside India	-	-
Total revenue from contract with customers	182.54	207.93

Timing of revenue recognition				
Rs. In lakhs				
Particulars	March 31,2021		March 31,2020	
	At a point in time	Over a period of time	At a point in time	Over a period of time
- Sale of products and other operating income	182.54	-	207.93	-
Less: Rebates and discounts	-	-	-	-
Total revenue from contract with customers	182.54	-	207.93	-

b) Contract balances

Rs. In lakhs		
Particulars	March 31,2021	March 31,2020
Trade receivables	1.83	7.88
Contract assets	-	-
Contract liabilities	-	-
Refund Liabilities	15.34	15.26

Trade receivables are non-interest bearing and are generally on approval terms.

Contract liabilities are amounts received from customers in respect of obligations to be performed by the company.

A refund liability is measured at the amount of consideration received (or receivable) for which the entity does not expect to be entitled.

c) Reconciliation of revenue recognised in the statement of profit and loss with the contracted price

Rs. In lakhs		
Particulars	March 31,2021	March 31,2020
Revenue as per contracted price	182.54	207.93
Adjustments:-		
Rebates and discounts	-	-
Revenue from contract with customers	182.54	207.93

**Restile Ceramics Limited****Notes annexed to and forming part of the Financial Statements****38 Net debt reconciliation:**

Rs. In lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Cash and cash equivalents	1.02	0.18
Current borrowings	3,918.62	3,922.12
<b>Net Debt</b>	<b>3,917.59</b>	<b>3,921.94</b>

Particulars	Other assets	Liabilities from financing activities		Total
	Cash and Bank Balances	Non-current borrowings	Current borrowings	
<b>Net debt as at March 31, 2020</b>	0.18	-	3,922.12	3,921.93
Cash flows-net	0.84	-	(3.50)	(4.34)
<b>Net debt as at March 31, 2021</b>	<b>1.02</b>	-	<b>3,918.62</b>	<b>3,917.59</b>

**39 Changes in accounting policy**

**Disclosures on Leases**

The Company has adopted IND AS 116 Leases with effect from 1st April, 2020. The company currently is not exposed to any lease arrangements so, The lease arrangements subsisting as on that date and eligible for recognition as right of use of asset under IND AS 116 is NIL.

Details of rental payment for contracts for which exemption is availed under IndAs 116 are as under:

Rs. In lakhs	
Particulars	As at March 31, 2021
Short term leases	-
Lease rental for low value asset	-
Lease commitments for short term leases	-

**40 ESTIMATION OF UNCERTAINTY RELATING TO COVID 19 PANDEMIC**

The Company has taken into account all the possible impacts of COVID-19 in preparation of these financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue recognition etc. The Company has carried out this assessment based on available internal and external sources of information upto the date of approval of these financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the financial statements may differ from that estimated as at the date of approval of these financial statements owing to the nature and duration of COVID-19.

Rs. In lakhs		
41 Particulars	As at March 31, 2021	As at March 31, 2020
(i) Value of Imports calculated on CIF basis	Nil	Nil
(ii) Expenditure in Foreign Currency	Nil	Nil
(iii) Earnings in Foreign Currency	Nil	Nil
(iv) Value of consumption of Imported items	Nil	Nil

**42 Disclosure on Going concern:**

The issue of negative operating cash flows and incurrance of operating losses and the Company's ability to continue as Going concern are being addressed through restructuring of operations. The Company is in the process of obtaining requisite approvals for merger with another company to address the risk of uncertainties in continuing the business.

**43 Previous year figures have been regrouped / reclassified wherever necessary to correspond to current year's classification / disclosure.**

On Behalf of Board

VIREN RATHOD  
Managing Director  
DIN:03407158

N.S.MANI  
Director  
DIN:02577983

Place: Chennai  
Date: 22.6.21

TRIBHUVAN SIMH RATHOD  
Chief Financial Officer

S. RAVI KIRAN  
Company Secretary

## **RESTILE CERAMICS LIMITED**

### **1A. General information**

#### ***Company Background:***

Restile Ceramics Limited ("the Company") is a public limited company incorporated and domiciled in India and governed by Companies Act, 2013. The Company's registered office is located at 204, Sarkar Complex, Vaccine Crossing, Old Padra Road, Vadodara, Gujarat-390 015.

The Company is engaged in manufacturing of Vitrified unglazed and glazed ceramic floor.

#### **1B.1 Basis of Preparation and Presentation**

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/ or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

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 schedule III to the 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 – non-current classification of assets and liabilities.

## **Compliance with Ind AS**

The financial statements have been prepared in accordance with Ind ASs notified under the Companies (Indian Accounting Standards) Rules, 2015.

## **Estimation of uncertainties relating to the global health pandemic from COVID-19**

The Company has taken into account all the possible impacts of COVID-19 in preparation of these financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue recognition etc. The Company has carried out this assessment based on available internal and external sources of information upto the date of approval of these financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the financial statements may differ from that estimated as at the date of approval of these financial statements owing to the nature and duration of COVID-19.

## **Recent Pronouncements**

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

### **Balance Sheet:**

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

### **Statement of profit and loss:**

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

## **1B.2 Property, Plant and Equipment depreciation**

Cost of all assets, where the cost exceeds Rs. 10,000 and the estimated useful life is two years or more, is capitalized. Property Plant and Equipment are carried at cost less accumulated depreciation and impairment losses, if any. Cost of property Plant and Equipment is net of eligible credits under applicable Indirect Tax 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.

### **Deemed cost on transition to Ind AS:**

The Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2016 (the transition date) measured as per the previous GAAP and use such carrying value as its deemed cost as of the transition date.

### **Depreciation/ amortisation:**

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Freehold land is not depreciated

### **De-recognition:**

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

### **Impairment losses**

At the end of each reporting period, the Company determines whether there is any indication that its assets (property, plant and equipment, intangible assets and investments in equity instruments in subsidiaries carried at cost) have suffered an impairment loss with reference to their carrying amounts. If any indication of impairment exists, the recoverable amount (i.e. higher of the fair value less costs of disposal and value in use) of such assets is estimated and impairment is recognised, if the carrying amount exceeds the recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying



amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

### **1B.3 Leases**

The Indian Accounting Standard (Ind AS) 116 is applicable from FY 2019-20 and it replaces Ind AS 17.

Ind AS 116 requires entity to determine whether a contract is or contains a lease at the inception of the contract.

Ind AS 116 requires lessee to recognise a liability to make lease payments and an asset representing the right to use asset during the lease term for all leases except for short term leases and leases of low-value assets.

Ind AS 116 requires lessee company to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as costs relating to the termination of the lease and the importance of the underlying asset to the Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

The cost of the right-of-use asset comprised of, the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date, less any lease incentives received, any initial direct costs incurred by the lessee.

The lease liability comprises of (a) fixed payments less any lease incentives receivable; (b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date (c) amounts expected to be payable by the company under residual value guarantees; (d) the exercise price of a purchase option if the company is reasonably certain to exercise that option and (e) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Depreciation on Right to use asset and impairment losses if any is recognised in Statement of Profit and Loss. Computed on a straight line basis over the period of lease. Also the company separately recognises interest on lease liability as a component of finance cost in Statement of Profit and Loss.

The Company currently does not have an lease arrangements.

### **1B.4 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 Indirect taxes applicable.

Obsolete / slow moving inventories are adequately provided for.

### **1B.5 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.

### **1B.6 Revenue recognition**

#### **Ind AS 115 Revenue from Contracts with Customers**

Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. It also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. The company has adopted the modified retrospective method of applying Ind AS 115 Revenue from Contract with customers in its initial year of application. Revenue is measured at the fair value of the consideration received or receivable.

#### **Sale of goods**

Revenue from sale of products is recognised at the point in time when control of the asset is transferred to the customer, generally when the product is shipped to the customer.

#### **Other Revenues**

Other operating revenues comprise of income from ancillary activities (eg: scrap sales) incidental to the operations of the Company and is recognised when the right to receive the income is established as per the terms of the contract.

Revenue in excess of invoicing (referred to also as unbilled revenue) are classified as Contract Assets while invoicing in excess of revenues (referred to also as unearned revenue) are classified as Contract liabilities.

### **1B.7 Employee benefits**

- (a) Short term employee benefit obligations are estimated and provided for.
- (b) Post-employment benefits and other long term employee benefits

#### **Retirement benefit costs and termination benefits:**

Payments to defined contribution plans i.e., Company's contribution to provident fund, employee state insurance and other funds are determined under the relevant schemes and/ or statute and charged to the Statement of Profit and Loss in the period of incurrence when the services are rendered by the employees.

For defined benefit plans i.e. Company's liability towards gratuity (unfunded), other retirement/ terminations benefits and compensated absences, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Defined benefit costs are comprised of:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement.

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

Re-measurement of net defined benefit liability/ asset pertaining to gratuity comprise of actuarial gains/ losses (i.e. changes in the present value resulting from experience adjustments and effects of changes in actuarial assumptions) and is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.

A liability for a termination benefits like expenditure on Voluntary Retirement Scheme is recognised at the earlier of when the Company can no longer withdraw the offer of termination benefit or when the Company recognises any related restructuring costs.

#### **Short-term and other long-term employee benefits:**

A liability is recognised for benefits accruing to employees in respect of salaries, wages, performance incentives, medical benefits and other short term benefits in the period the related service is rendered, at the undiscounted amount of the benefits expected to be paid in exchange for that service. Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

### **1B.8 Income taxes**

Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

**Current tax:** Current tax is determined on taxable profits for the year chargeable to tax in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 including other applicable tax laws that have been enacted or substantively enacted.

**Deferred tax:** Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax asset is recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

### **1B.9 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.

### **1B.10 Financial Instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss. Financial assets: All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

#### **Classification of financial assets**

The financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets are added to the fair value of the financial assets on initial recognition.

#### **Initial recognition:**

(i) Financial assets (other than investments) are subsequently measured at amortised cost using the effective interest method. Effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or

received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Investments in debt instruments that meet the following conditions are subsequently measured at amortised cost

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments on principal and interest on the principal amount outstanding.

#### **Impairment of financial assets:**

A financial asset is regarded as credit impaired when one or more events that may have a detrimental effect on estimated future cash flows of the asset have occurred. The Company applies the expected credit loss model for recognising impairment loss on financial assets (i.e. the shortfall between the contractual cash flows that are due and all the cash flows (discounted) that the Company expects to receive).

#### **De-recognition of financial assets:**

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the Statement of profit and loss.

The Company has applied the de-recognition requirements of financial assets prospectively for transactions occurring on or after April 1, 2016 (the transition date).

#### **Financial liabilities and equity instruments:**

Classification as debt or equity Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

#### **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

#### **Financial liabilities**

All financial liabilities are subsequently measured at amortised cost using the effective interest method. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the "Finance Costs".

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

### **De-recognition of financial liabilities**

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

The Company has applied the de-recognition requirements of financial liabilities prospectively for transactions occurring on or after April 1, 2016 (the transition date).

## **1C. Critical accounting judgments and key sources of estimation uncertainty**

The preparation of financial statements in conformity with Ind AS requires the Company's Management to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities recognised in the financial statements that are not readily apparent from other sources. The judgements, estimates and associated assumptions are based on historical experience and other factors including estimation of effects of uncertain future events that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates (accounted on a prospective basis) and recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods of the revision affects both current and future periods.

The following are the critical judgements and estimations that have been made by the Management in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements and/or key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

### **Inventories**

An inventory provision is recognised for cases where the realisable value is estimated to be lower than the inventory carrying value. The inventory provision is estimated taking into account various factors, including prevailing sales prices of inventory item, losses associated with obsolete / slow-moving / redundant inventory items. The Company has, based on these assessments, made adequate provision in the books.

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 & ClientID :

Name of 1stRegisteredHolder :

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