



Restile Ceramics Limited

36th Annual Report 2021-22

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 | - Director |
| Sri K.Rajendra Prasad | - Nominee Director –APIDC |

KEY MANAGERIAL PERSONS

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| Mr. Tribhuvan Simh Rathod | - Chief Financial Officer |
| Mr. Dharmendrabhai Bhaliya | - Company Secretary & Compliance Officer |

SHAREHOLDERS' INFORMATION

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| Annual General Meeting | 36 th AGM on 18th July 2022 |
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| Auditors | M/s. R. SUNDARARAJAN & ASSOCIATES Chartered Accountants H No.2, Royal Gokulam, S-2 Ayyappan street, East Tambaram, Chennai - 59 |
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| Bankers | a) State Bank of India SME Adyar Chennai-600020 |
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| Factory Location | Malkapur Village, HatnooraMandal, Narsapur Taluk, Medak District-502 296, Telangana www.restile.com |
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| Registered office | 204, Sakar Complex, Opp. ABS Tower, Vaccine Crossing, Old Padra Road, Vadodara, Gujarat- 390015. |
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| CIN | L26931GJ1986PLC102350 |
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|--------------------------|---|
| Book Closure Date | 12/07/2022 to 18/07/2022 (Both days inclusive) |
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|----------------|----------------------------------|
| Listing | Bombay Stock Exchange Ltd |
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| ISIN NO | INE298E01022 |
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| Stock Code | 515085 |
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| E-voting Dates | 15/07/2022 to 17/07/2022 |
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| Registrars & Share Transfer Agents | M/s. Cameo Corporate Services Ltd, Subramanian Building", 1- Club House Road, Chennai 600 002. Telephone No: 044-28460390. |
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NOTICE

NOTICE is hereby given that the Thirty Sixth (36th) Annual General Meeting (“AGM”) of the Members of Restile Ceramics Limited (‘the Company’) will be held on Monday, the 18th July 2022 at 11.30 A.M. (“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 standalone audited financial statement of the company for the financial year ended march 31st, 2022 and the report of the board of directors and auditors thereon;
2. To appoint a director in place of Mr. Nalinkant Amratlal Rathod (Din:00272129), who retires by rotation and being eligible, offers himself for re-appointment

SPECIAL BUSINESS

3. 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 2022-23, 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.”

4. 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 35th 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.”

5. Reappointment of mr. Tenkasi Ramanarayanan Seetharaman (Din:- 02385221) as independent director 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 pursuant to the provisions of Sections 149(10), 150 and 152 of the Companies Act, 2013 read with Schedule IV of the Companies Act, 2013 and the Companies (Amendment) Act, 2017 (‘Act’) read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or reenactment thereof for the time being in force) on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Mr. Tenkasi Ramanarayanan

Seetharaman (DIN: 02385221), Independent Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Director on the Board of the Company, not liable to retire by rotation for a term of five consecutive years with effect from 18th July,2022;

RESOLVED FURTHER THAT the Company Secretary of the Company, be and are hereby authorized to file necessary filing and to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.

BY ORDER OF THE BOARD OF DIRECTORS

Sd/-

Place:-Vadodara

Date:- 21/05/2022

VIREN RATHOD

MANAGING DIRECTOR

(DIN:- 03407158)

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, 2/2021 dated April 8, 2020, April 13, 2020 and May 5, 2020, dated 13th January 2021 and 2/2022 dated 5th May,2022 (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 the 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 though VC/OAVM.
2. Since this AGM is being held though VC/OAVM, pursuance 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 or upload on the VC portal / e-voting portal.
6. All documents referred to in the Notice will also be available 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.
7. The Register of Members and the Share Transfer Books of the Company will remain closed from 12th July,2022 to 18th July, 2022 (Both days inclusive), for the purpose of AGM.
8. The Company has fixed Monday, 11th day of July,2022 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 2021-22 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 2021-22 will also be available on the Company’s website www.Restile.com and websites of the Stock Exchanges, that is, BSE Limited at 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) LTD is CDSLIS3576 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 2021-2022 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. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM/EGM has been uploaded on the website of the Company at Restile.com . The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM i.e. www.evotingindia.com
7. 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.
8. 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 15th July, 2022 and ends on 17th July, 2022. 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 Monday, 11th July, 2022 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.

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

- 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"> 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 https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 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 & 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. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration. 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 www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile |

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| | <p>& 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"> 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: https://eservices.nsdl.com 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 & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS “Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ 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 |

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| | remote e-Voting period or joining virtual meeting & voting during the meeting. |
| Individual Shareholders (holding securities in demat mode) login through their Depository Participants | 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 & voting during the meeting. |

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 helpdesk.evoting@cdslindia.com 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 evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

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.
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 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:

| | |
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| | For Physical shareholders and other than individual shareholders holding shares in Demat. |
| 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"> 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. |
| 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"> 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. |

- 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 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.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- 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 (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 & EVOTING 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). 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 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 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 or call on 022-23058542/43.

BY ORDER OF THE BOARD OF DIRECTORS

Sd/-

Place:-Vadodara

Date:- 21/05/2022

VIREN RATHOD

MANAGING DIRECTOR

(DIN:- 03407158)

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 FORMING PART OF THE NOTICE OF 35TH ANNUAL GENERAL MEETING OF THE COMPANY

Item No.3

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 2022-23

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 2022-23. 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 (Director) Sri. Viren Rathod (Managing Director) Smt. Bharathi Rathod (Director) Smt. Shruthi Rathod (Director) Sri. Tribhuvan Simh Rathod (Chief Financial Officer) |
| 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 Vitrified Tiles raw shall be on a continuous basis. Monetary value of proposed aggregate transaction(s) during financial year 22-23 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 | Manufacture of Full Body Unglazed Vitrified Tiles whereas other suppliers are glazed Vitrified Tiles . |

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 except to the extent of their shareholding.

The Board of Directors recommends passing of the resolution as set out at item no. 3 of this Notice as an Special Resolution.

Item No.04

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 at item no 4 of the Notice.

None of the Directors, Key Managerial persons and relatives are interested or concerned in passing of the resolutions except to the extent of their shareholding.

Item No.05

The Board at their meeting held on 21.05.2022 has reappointed Mr. Tenkasi Ramanarayanan Seetharaman, as Non Executive Director Independent Director of the Company, subject to approval of shareholders.

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

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

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

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the reappointment of Mr. Tenkasi Ramanarayanan Seetharaman as Independent Director, the Board requested the Members to approve in upcoming Annual General Meeting by way of Special Resolution.

In line with the aforesaid provisions of the Companies Act, 2013 and in view of long, rich experience, continued valuable guidance to the management and strong Board performance of Mr. Tenkasi Ramanarayanan Seetharaman, the Shareholders are requested to approve the re-appointment of Mr. Tenkasi Ramanarayanan Seetharaman as an Independent Director.

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

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

BY ORDER OF THE BOARD OF DIRECTORS

Sd/-

Place:-Vadodara

Date:- 21/05/2022

VIREN RATHOD

MANAGING DIRECTOR

(DIN:- 03407158)

PROFILE OF THE DIRECTOR BEING RE-APPOINTED AT THE ENSUING AGM

1. Nalinkant Amratlal Rathod

| | |
|---|---|
| Name of Director | Nalinkant Amratlal Rathod |
| DIN | 00272129 |
| Date of Birth | 12/05/1950 |
| Date of Appointment | 27/01/2003 |
| Qualifications | Chartered Accountant |
| Expertise in specific functional areas | Vast experience in varies industries |
| Experience | Finance |
| Directorship held in other Listed Companies as on 31st March, 2022. | None |
| Chairmanship / Membership of Committee held in other Listed Companies as on 31st March, 2022. | None |
| Number of Equity Shares held in the Company as on 31st March, 2022. | 81,26,383 |
| Relationship with other directors and Key Managerial Personnel | Mrs.Bharti Nalin Rathod (wife) Mr.Tribhuvan Simh Rathod (Brother) |
| Number of Board Meetings attended during the Financial Year 2021 -22 | 01 |
| Terms and Conditions of Appointment | Retire 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 31.03.2022 | 1. Bell Granito Ceramica Limited 2. Atreya Finance Private Limited |

2. Tenkasi Ramanarayanan Seetharaman,

| | |
|---|--------------------------------------|
| Name of Director | Tenkasi Ramanarayanan Seetharaman |
| DIN | 02385221 |
| Date of Birth | 31/05/1957 |
| Date of Appointment | 30/08/2008 |
| Qualifications | Chartered Accountant |
| Expertise in specific functional areas | Finance |
| Experience | Vast experience in varies industries |
| Directorship held in other Listed Companies as on 31st March, 2022. | None |
| Chairmanship / Membership of Committee held in other Listed Companies as on 31st March, 2022. | None |
| Number of Equity Shares held in the Company as on 31st March, 2022. | Nil |
| Relationship with other directors and Key Managerial Personnel | None |
| Number of Board Meetings attended during the Financial Year 2021 -22 | 04 |
| Terms and Conditions of Appointment | Non-Executive and 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 31.03.2022 | 1. Bell Granito Ceramica Limited |

TO THE MEMBERS

The Directors are pleased to present the 36th Annual Report of the Company together with its Audited Financial Statements for the year ended March31,2022.

1. FINANCIAL HIGHLIGHTS

| Particulars | ` Lakhs | |
|--|----------------|----------------|
| | 2021-22 | 2020-21 |
| Revenue From Operations | 59.34 | 182.54 |
| Other Income | 23.83 | 0.43 |
| EBITDA | (33.4) | (98.36) |
| Interest and Financial charges | 0 | 0 |
| Depreciation | 571.94 | 571.94 |
| Profit/(Loss) before taxes and Exceptional Items | (605.34) | (670.30) |
| Exceptional Items | 0.20 | (0.16) |
| Provision for taxes | 0 | 0 |
| Profit / (Loss) for the Year | (605.14) | (670.46) |

2. COMPANY PERFORMANCE

The Company achieved a turnover of Rs.59.34. Lakhs for the period ended March31,2022; decreased by Rs.123.2 Lakhs (67.49%)as compared to previous year.

The total expenditure for the period ended March 31,2022 stood at Rs.688.51 Lakhs, decreased by Rs.164.76 Lakhs (19.30%) as compared to previous year.

The Loss (EBITDA) before Depreciation, Finance Cost and Tax for the year ended March 31, 2022 amounted to Rs.(33.4) Lakhs, decreased by Rs.64.96 Lakhs (66.04%) as compared to previous year.

The Loss before tax and Exceptional litem(s) for the year ended March31,2022 amounted to Rs.605.14 Lakhs, decreased by Rs.65.32 Lakhs (9.74%)as compared to previous year.

The tax expense for the year ended March 31, 2022 was (zero) 0 Lakhs. The Loss after tax for the year ended March 31,2022 stood at Rs.605.14 Lakhs as against a loss of Rs.670.46 Lakhs of the previous year. No transfer was made to General reserve during the year ended March31, 2022.

3. MATERIAL CHANGES AND COMMITMENT

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. The Company has not made any material changes or commitments which affect the financial position of the Company between the end of the financial year of the Company to which the financial statements relate and the date of signing of this report.

4. DIVIDEND

Due to COVID 19 impact and the uncertainty caused and loss suffered by it, your Company has not declared any dividend for the financial year ended March 31, 2022.

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 nor allotted any equity shares.

6. BORROWINGS

The Company's borrowings as at March 31, 2022 stood at Rs.3918.62 lakhs as against Rs. 3918.62 lakhs as at March 31, 2021.

7. PUBLIC DEPOSITS

The Company has not accepted any fixed deposits, within the meaning of section 73 of the companies Act 2013, Read with the Companies (Acceptance of Deposits) Rules, 2014 during the period under review. The Company has taken Unsecured interest free loan of Rs.3918.62 lakhs from the Directors of the Company.

8. INFORMATION ABOUT SUBSIDIARY / JOINT VENTURES

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

9. PARTICULARS OF RELATED PARTY CONTRACTS AND OTHER ARRANGEMENTS

All Related Party Transactions that were entered into during the financial year were on an arm's length basis and in the ordinary course of business and were in compliance with the applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015., All related party transactions were approved by the Audit committee and Board and necessary approvals of shares holders by way of special resolution

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

The Policy on materiality of related party transactions and on dealing with related party transactions as approved by the Board may be accessed on Company's website. There were 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 an annexure A to this report.

10. 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.

11. 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 include the evaluation of Internal Control Systems and inform the management of 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 monitor and control risks.

12. DIRECTORS AND KEY MANAGERIAL PERSONNEL ("KMP")

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of Independence as prescribed both under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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),
- Mr. Tribhuvan Simh Rathod, (Chief Financial Officer)

- Mr. Dharmendra Bhaliya ,(Company Secretary and compliance Officer)

Other Details in respect of Composition of Board of Directors and Key Managerial Personnel are provided in the report of Corporate Governance at Annexure-B of this report.

Following are the changes made in the Directors and Key Managerial Personnel during the year under review.

| SrNo | Name of Director(s)/ KMP | Nature of Change | Date of Change |
|------|--------------------------|------------------|----------------|
| 1. | Mr. Dharmendra Bhaliya | Appointment | 06/11/2021 |
| 2. | Mr.Ravi Kiran Sukumar | Cessation | 01/08/2021 |

13. BOARD AND COMMITTEE MEETINGS

The Board of directors has met 5(five) times ,Audit Committee has meet 5 (five) times, Stakeholders Relationship Committee 4 (Four) times and Nomination and remuneration committee 2 (Two) 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 at Annexure-B to this 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.

14. DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors including audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by Management and the relevant Board /Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2021-22.

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

- I. In the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- II. They have selected such accounting policies and applied them consistently made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year

March 31, 2022 and of the profit or loss of the Company for that period;

- iii. They have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. They had prepared the annual accounts on a going concern basis;
- v. They have laid down the internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;
- vi. They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

15. INTERNAL CONTROLS AND SYSTEMS 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 2021-22, except at some point.

16. 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.

17. 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.

18. 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.

19. 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 there under (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 –None of the employees are drawing remuneration excess of limits set out under section 197 read with Rule 5(2) of the companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.

20. 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 (1) Executive Director viz., the Managing Director. The Directors appointed on the Board are from diverse fields relevant to the Company's business, having long standing experience and expertise in their respective fields. They have considerable experience in managing large corporate and have been in public life for decades.

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

In a separate meeting of Independent Directors held on 10th February, 2022, the 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.

21. LISTING

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 2021-22.

22. AUDITORS

i. Statutory Auditors:

M/s. R. Sundararajan & Associates Chartered Accountants (Firm Registration No. 08282S) who are statutory auditors of the company appointed for a period of 5 years to hold till conclusion of 38th Annual General Meeting.

| Qualified opinion | Comments be Board of Directors |
|--|--|
| 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 | The company is in the process of merger with another group company. Post merger company will be able to achieve profitability. |

ii. Cost Audit

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

iii. Secretarial Audit

Pursuant to the provisions of section 204 of the Companies Act 2013 and rules made thereunder the company has appointed Mr. Niraj Trivedi, Practicing Company Secretary, Vadodara to undertake the Secretarial Audit of the company. The secretarial audit report is included as Annexure– C as an integral part of this report.

The Secretarial Auditor has issued observation in respect of delay in publication of Financial Results on the newspapers in two instance during the financial Year under review which is mainly due to delay by newspaper agency and Diwali vacation on which no newspapers were published during that period.

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 Separate 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-B of this report.

24. CONSERVATION OF ENERGY, TECHNOLOGY TRANSFER AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The details in respect of conservation of Energy, Technology Transfer and Foreign Exchange Earning and outgo is as follows:

(A) 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 _Nil units amounting to Rs. Nil (2020-21 - 21,102 units amounting to Rs.6.49 Lacs). During the year there was no production and hence the Gas consumption is Nil.

(B) Pursuant to provisions of Section 134(m) of the Companies Act, 2013, the total Foreign Exchange Inflow and outflow is NIL.

25. PARTICULARS OF EMPLOYEES & REMUNERATION

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

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

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

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

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

27.FRAUD REPORTING BY AUDITOR: -

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

28.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.

29.SECRETARIAL STANDARD ISSUED BY ICSI

The Company has duly complied 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 2021-22.

30.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.

31.ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, an Annual Return as on March 31, 2022 is available on the Company's website on www.restile.com.

32.APPRECIATION

Your director's wish to place on record their appreciation for the contribution made by the employees at all levels but of whose hard work and support to the Company. 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.

ANNEXURE-A**AOC-2****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 | |
|-----------|--|------------------------------|
| 1. | Details of contracts or arrangements or transactions not at arm's length basis: | NIL |
| | (a) Name(s) of the related party and nature of relationship | |
| | (b) Nature of contracts/arrangements/transactions: | |
| | (c) Duration of the contracts / arrangements/transactions: | |
| | (d) Salient terms of the contracts or arrangements or transactions including the value, if any: | |
| | (e) Justification for entering into such contracts or arrangements or transactions | |
| | (f) Date(s) of approval by the Board: | |
| | (g) Amount paid as advances, if any: | |
| | (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: | |
| 2. | Details of material contracts or arrangement or transactions at arm's length basis: | |
| | (a) Name(s) of the related party and nature of relationship: | Details attached in Annexure |
| | (b) Nature of contracts/arrangements/transactions: | |
| | (c) Duration of the contracts / arrangements/transactions: | |
| | (d) Salient terms of the contracts or arrangements or transactions including the value, if any: | |
| | (e) Date(s) of approval by the Board, if any: | |
| | (f) Amount paid as advances, if any: | |

For and on behalf of the Board of Directors

Viren rathod

Managing Director

(Din:0347158)

Mani

Director

(Din:02577983)

| S.No. | Name of the Related Party | Nature of Transaction | Duration of Transaction | Salient terms of the transaction including the value, if any (in Lakhs) | Date of approval by the board, if any |
|-------|------------------------------|-----------------------|-------------------------|---|---------------------------------------|
| 1 | Bell GranitoCeramica Limited | Purchases | Continual | 57.40 | 22.06.2021 |
| 2 | Bell GranitoCeramica Limited | Sales | Continual | 215.12 | 22.06.2021 |
| 3 | Bell GranitoCeramica Limited | Rent | Continual | 0.24 | 22.06.2021 |

For and on behalf of the Board of Directors

Sd/-

Viren rathod

Managing Director

(Din:0347158)

Sd/-

Mani

Director

(Din:02577983)

ANNEXURE-B
MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The paid-up equity share capital as at March 31st, 2022 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, 2022 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. 59.34 lacs as against Rs.182.54 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 | 2021-22 | 2020-21 | Increase/Decrease |
|-------|---|---------|---------------|-------------------|
| 1. | Raw Material Consumption (including Movement in Finished Goods Stock) | 142.05 | 159.14 | -17.09 |
| 2. | Employee Expenses | 28.90 | 41.25 | -12.35 |
| 3. | Finance Costs | 0 | 0.01 | -0.01 |
| 4. | Other Expenses | 30.07 | 80.13 | -50.06 |
| 5. | Depreciation and amortization | 571.94 | 571.94 | 0 |
| | Total.... | 688.51 | 853.28 | -164.77 |

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, 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 Ratios

| | |
|---|---|
| Debtor Turnover: 2021-22:0.08 2020-21:0.01 | Inventory Turnover 2021-22: 2.39 2020-21:0.90 |
| Interest Coverage Ratio: 2021-22:Nil 2020-21:Nil | Current Ratio 2021-22: 0.09 2020-21:0.10 |
| Debt Equity Ratio: 2021-22:Nil 2020-21:Nil | Operating Profit Margin: 2021-22: - (0.06) 2020-21: - (0.10) |
| Net Profit Margin: 2021-22:- (7.28) 2020-21 – (3.66) | Return on Net Worth: 2021-22: - (0.21) 2020-21:- (0.29) |

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

CORPORATE GOVERNANCE REPORT

➤ 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. Corporate Governance has been inexistence 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 as detailed below for the year ended March 31, 2022:

➤ **Board of Directors**

The Board of Directors is the apex body constituted by the shareholders for overseeing the overall functioning of the Company. The Board provides and evaluates the strategic direction of the Company, management policies and their effectiveness and ensures that the long-term interests of the shareholders are being served.

As on 31st March 2022, the Company has ten (10) Directors. Out of which 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.

| Name of the Director | Category | No. of Board Meetings 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 | 01 | No | 81,26,383 |
| Viren Rathod | Executive Director-MD | 05 | Yes | NIL |
| Tenkasi Ramanarayana n Seetharaman | Non-Executive - Independent Director | 04 | No | NIL |
| Nalandula Srinivasa Rao Ramachandran | Non-Executive - Independent Director | 05 | Yes | NIL |
| Gopalachari Padmanabhan | Non-Executive - Independent Director | 04 | No | NIL |
| Yash Kaushik Shah | Non-Executive - Independent Director | 01 | No | NIL |
| Narayanan Subramanian (Mani) | Non-Executive - Independent Director | 04 | No | NIL |
| Shruti Rathod | Non-Executive - Non Independent Director | 01 | No | 10 |
| Bharati Nalin Rathod | Non-Executive - Non Independent Director | 01 | No | NIL |
| Rajendra Prasad Kandikattu | Non-Executive -Nominee Director represented from APIDC | 00 | No | NIL |

“Independent Directors” of the Company have been appointed as per the provisions 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 fulfil 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.

- **Number of other board of directors or committees in which a Director is a director / member / chairperson and Names of the listed entities where the person is a director and the category of directorship**

| Name of the Director | No. of other Directorships | No. of Committee Memberships | No. of Committee Chairmanship |
|-------------------------------------|---|-------------------------------------|--------------------------------------|
| Nalandula Ramachandran Srinivasarao | - | - | - |
| Gopalachari Padmanabhan | -- | -- | -- |
| Rajendra Prasad Kandikattu | 01 (Raasi Refractories Ltd), Nominee Director | 00 | 00 |
| Nalinkant Amratlal Rathod | -- | -- | -- |
| Shruti Rathod | -- | -- | -- |
| Yash Kaushik Shah | 01 Arman Financial Services Limited (Independent | 03 | 01 |

| | Director) | | |
|---|-----------|----|----|
| Tenkasi Ramanarayanan Seetharaman | -- | -- | -- |
| Mani | -- | -- | -- |
| Bharati Nalin Rathod | -- | -- | -- |
| Viren Rathod | -- | -- | -- |

- Number of meetings of the board of directors held and dates on which held**

Five (5) Meetings of Board of Directors were held during the year ended on 31st March, 2022 on 4th June, 2021, 22nd June, 2021, 7th August, 2021 and 06th November, 2021 and 10th February, 2022. The time gap between any two meetings was not exceeding one hundred and twenty days.

- Disclosure of relationships between directors 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.

- Web link where details of familiarisation programmes imparted to independent directors is disclosed.**

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 or a matrix setting out the skills/expertise/competence of the board of directors.**

| Name of Director | Financial Management | Governance Practice | Business Strategy | General Management |
|--------------------------|----------------------|---------------------|-------------------|--------------------|
| NalinkantAmratlal Rathod | √ | √ | √ | √ |
| Viren Rathod | √ | √ | √ | √ |

| | | | | |
|---|---|---|---|---|
| TenkasiRamanarayanan Seetharaman | √ | √ | √ | √ |
| Nalandula Srinivasa Rao Ramachandran | √ | √ | √ | √ |
| Gopalachari Padmanabhan | √ | √ | √ | √ |
| Yash Kaushik Shah | √ | √ | √ | √ |
| Narayanan Subramanian | √ | √ | √ | √ |
| Shruti Rathod | √ | √ | √ | √ |
| Bharati Nalin Rathod | √ | √ | √ | √ |
| Rajendra Prasad Kandikattu | √ | √ | √ | √ |

- **Confirmation that in the opinion of the board, the independent directors fulfill the conditions specified in these regulations and are independent of the management.**

The Board is of the opinion that, all the independent directors fulfill the conditions specified in these regulations and are independent of the management.

- **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.**

NIL

➤ **Audit Committee:-**

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

The Audit Committee comprises of 5 Independent Non-Executive Directors, 1 Executive Director along with 1 Non independent Non Executive Director with Mr. Nalandula Srinivasa Rao as Chairman, Mr. Gopalachari Padmanabhan, Mr. Tenkasi Ramanarayanan Seetharaman, Mr. Narayanan Subramanian, Mr. Yash Kaushik Shah, Mr. Viren Rathod and Mrs. Shruti Rathod 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 25th August, 2021.

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

There were Five (5) meetings of the Audit Committee held during the year ended 31st March, 2022 on 4th June 2021, 22th June 2021, 07th August 2021, 06th November 2021, 10th February 2022:

| Name of Director | No. of Meetings held | No. of Meetings Attended |
|---------------------------------------|-----------------------------|---------------------------------|
| Mr. Nalandula Srinivasa Rao | 5 | 5 |
| Mr. Gopalachari Padmanabhan | 5 | 4 |
| Mr. Tenkasi Ramanarayanan Seetharaman | 5 | 4 |
| Mr. Narayanan Subramanian (Mani) | 5 | 4 |
| Mr. Yash Kaushik Shah | 5 | 1 |
| Mr. Viren Rathod | 5 | 3 |
| Mrs. Shruti Rathod | 5 | 0 |

➤ **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 and 1 Non Independent Non Executive Director with Mr. Narayanan Subramanian (Mani) as Chairman, Mr. Nalandula Srinivasa Rao, Mr. Tenkasi Ramanarayanan Seetharaman and Mrs. Shruti Rathod 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.

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

There was (2) meeting of the Nomination and Remuneration Committee held during the year ended 31st March, 2022 on 06th November 2021 and 10th February, 2022.

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 | 2 | 2 |
| Mr. Tenkasi Ramanarayanan Seetharaman | 2 | 2 |
| Mr. Nalandula Srinivasa Rao | 2 | 2 |
| Mrs. Shruti Rathod | 2 | 0 |

- **Performance Evaluation Criteria**

The following were the Performance Evaluation Criteria taken by the Committee to evaluate the performance of Directors in its Meeting held on 10th February, 2022:

- **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 Team 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.

- **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. Mr. Nalandula Srinivasa Rao Chairman of the Stakeholder and Relationship Committee was present at the last Annual General Meeting held on 25th August, 2021.

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

There was Four (4) meetings of the Stakeholder and Relationship Committee held during the year ended 31st March, 2022. The Date of the meeting are 22nd April,2021, 28th October,2021, 21st December,2021 and 17th February,2022.

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 | 4 | 4 |
| Mr. Gopalachari Padmanabhan | 4 | 4 |
| Mr. Tenkasi Ramanarayanan Seetharaman | 4 | 4 |

- Mr. Dharmendra Bhaliya, 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

➤ **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 2021-2022 to the Managing Director is Nil.

| Particulars | Mr.VirenRathod |
|---|----------------|
| Salary, Incentive and perquisites | NIL |
| Contribution to Provident and Gratuity Fund | NIL |
| Performance Incentive Payable | NIL |
| Shareholders on March 31, 2022. | 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.7,000/- per Meeting to Non-Executive Directors of the Company for attending Meetings of the Board of Directors and Rs.2,000/- for Audit Committees thereof.

Sitting fee (remuneration) paid to Non-Executive Directors during the financial year 2021-22 and the details of shares held by them as on March 31, 2022 are as under:

| Name of Director | Amount | No of Shares Held |
|--------------------------------------|--------|-------------------|
| Nalandula Srinivasa Rao Ramachandran | 50,000 | NIL |
| Gopalachari Padmanabhan | 40,000 | NIL |
| Tenkasi Ramanarayanan Seetharaman | 40,000 | NIL |
| Narayanan Subramanian | 40,000 | NIL |
| Yash Kaushik Shah | 10,000 | NIL |
| Rajendra Prasad Kandikattu | NIL | NIL |
| Nalinkant Amratlal Rathod | NIL | 81,26,383 |
| Shruti Rathod | NIL | 10 |
| Bharati Nalin Rathod | NIL | NIL |

➤ **General Body Meetings**

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

| Year | Location | Date of AGM | Day | Time |
|------|--|--------------------|-----------|------------|
| 2019 | 204, sakar complex, opp AB Stower, 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 |
| 2021 | OVC meeting | August 25, 2021 | Wednesday | 12:00 P.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 2019, 2020 and 2021.
- During the Financial Year 2021-22, 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 |
|----------------------------------|--|
| 20 th 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 th 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 |
| 25 th August,2021 | Authority to borrow in excess of the paid-up share Capital and Reserves of the Company |
| | Authority to create mortgages, charges and hypothecations |
| | Approval for Related Party Transactions |

➤ **Means of communication**

- Quarterly Results;** The results will be published in the newspapers having wide coverage.
- 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;**www.restile.com
- Whether it also displays official news releases;** No
- The presentations made to institutional investors or to the analysts;**
No

➤ **General Shareholder Information**

| | |
|--|---|
| Day, Date, Time and Venue of Annual General Meeting | Monday, the 18 th July, 2021 at 11.30AM through Video Conference |
| Financial Year | 1 st April 2021- 31 st March 2022 |
| Dividend payment date; | NA |
| The name and address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s); | BSE Limited (BSE) Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai – 400 001. The Company has already paid Annual listing fees to the Stock Exchange. |
| Stock code; | 515085, with security ID/symbol of RESTILE |
| ISIN NO | INE298E01022 |
| Market price data- high, low during each month in last financial year | Please see Annexure-1 |
| Performance in comparison to broad-based indices such as BSE sensex, CRISIL Index etc; | Please see Annexure-2 |
| case the securities are suspended from trading, the directors report shall explain the reason thereof; | Not Applicable |
| Registrar to an issue and share transfer agents; | M/s. Cameo Corporate Services Ltd, Subramanian Building”1, Club House Road, Chennai 600 002. Telephone No: 044-28460390 |
| Share transfer system; | |
| Distribution of shareholding; | Please see Annexure-3 |
| Dematerialization of shares and liquidity; | Please see Annexure-4 |
| Outstanding Global Depository Receipts or American Depository Receipts or Warrants or any convertible instruments, conversion date and likely impact on equity; | Not Applicable |
| Commodity price risk or foreign exchange risk and hedging | The Company's API products (both finished goods as well as raw |

| | |
|---|---|
| activities; | 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. |
| Plant locations; | Malkapur Village, HatnooraMandal, NarsapurTaluk, Medak District-502 296, Telangana |
| Address for correspondence/Investor Correspondence. | Dharmendra Bhaliya Company Secretary and Compliance Officer 204, Sakar complex, Opp. ABS Tower, Vaccine Crossing, Old Padra Road, Vadodara- 390 015 Email:- cs@restile.com |
| List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year; | NIL |

Annexure-1

Market price data- high, low during each month in last financial year

| Month | High Price | Low Price | Month | High Price | Low Price |
|--------|------------|-----------|--------|------------|-----------|
| Apr-21 | 2.28 | 1.83 | Oct-21 | 3.38 | 2.69 |
| May-21 | 2.52 | 1.83 | Nov-21 | 3.28 | 2.64 |
| Jun-21 | 4.37 | 2.22 | Dec-21 | 5.19 | 2.51 |
| Jul-21 | 3.47 | 2.85 | Jan-22 | 4.26 | 3.66 |
| Aug-21 | 3.58 | 2.57 | Feb-22 | 3.83 | 2.44 |
| Sep-21 | 3.41 | 2.83 | Mar-22 | 3.42 | 2.67 |

Annexure-2

Performance in comparison to broad-based indices such as BSE sensex, CRISIL Index etc



Annexure-3 **Distribution of Shareholding**

| DISTRIBUTION OF HOLDINGS - NSDL & CDSL & PHYSICAL RECORD DATE : 31-Mar-2022 | | | | | |
|---|--------------|------------|--------------|-----------|-------------|
| Category (Amount) | No. of Cases | % of Cases | Total Shares | Amount | % of Amount |
| 1 - 5000 | 23134 | 95.4648 | 872554 | 8725540 | 0.8878 |
| 5001 - 10000 | 413 | 1.7042 | 362684 | 3626840 | 0.369 |
| 10001 - 20000 | 240 | 0.9903 | 386487 | 3864870 | 0.3932 |
| 20001 - 30000 | 101 | 0.4167 | 267597 | 2675970 | 0.2722 |
| 30001 - 40000 | 39 | 0.1609 | 143687 | 1436870 | 0.1462 |
| 40001 - 50000 | 69 | 0.2847 | 335122 | 3351220 | 0.3409 |
| 50001 - 100000 | 115 | 0.4745 | 871933 | 8719330 | 0.8871 |
| 100001 - And Above | 122 | 0.5034 | 95039175 | 950391750 | 96.7032 |
| Total : | 24233 | 100 | 98279239 | 982792390 | 100 |

Annexure-4 **Dematerialization of shares and liquidity;**

At the end of March 31, 2022, shares comprising approximately 99.41% of the Company's Equity Share Capital have been dematerialized. Status on Dematerialised Shares (Equity ISIN No INE298E01022)

| Mode of holding | No of shares | % to total paid up capital |
|-----------------|--------------|----------------------------|
| PHYSICAL | 575831 | 0.585913 |
| Dematerialized | 97703408 | 99.414086 |

- **Materially significant related party transactions that may have potential conflict with the interests of listed entity at large;**
Details of all material related party transactions has been disclosed in the Board 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

| Sr.No | Details of Non Compliance | Authority by whom penalty has been imposed | Amount of Penalty |
|-------|---|--|-------------------|
| 1. | Regulation 23 (9) of LODR for the F.Y 2020-21 | BSE Limited | Rs.2,30,100 |
| 2. | Regulation 29 (2) of LODR for the F.Y 2020-21 | BSE Limited | Rs.11,800 |

- **Details of establishment of vigil mechanism/whistle blower policy, and affirmation that no personnel has been denied access to the Audit Committee;**

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)

- **Compliance with mandatory requirements and adoption of the non-mandatory requirements;**

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 endeavours to adopt best practices to ensure regime of unqualified financial statements.

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

The Company does not have subsidiary Company, therefore the Company has not adopt any policy for determining material subsidiary.

- **Web link where policy on dealing with related party transactions;**

https://restile.com/investordoc/Corporate%20Governance/RTP_POLICY.pdf

- **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.

- **Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.**

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

- **Disclosures by listed entity and its subsidiaries of Loans and Advances in the nature of loans to firms/companies in which directors are interested by name and amount.**

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.**
- **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

DECLARATION BY MANAGING DIRECTOR

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, 2022.

For, RESTILE CERAMICS LIMITED

Place: Chennai
Date: 21.05.2022

Viren Rathod
Managing Director
(DIN: 03407158)

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

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, 2022. 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, 2022, referred to in paragraph 1 above.

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: 22026452AKTKWE2519

21 May 2022

Chennai

ANNEXURE-C**SECRETARIAL AUDIT REPORT****Form No. MR-3*****SECRETARIAL AUDIT REPORT***
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2022

[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, 2022, 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, 2022 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)
 - (i) Other applicable laws: Based on the information provided and the representation made by the Company and its officers and also on the review of the compliance reports taken on record by the Board of Directors of the Company, in our opinion, adequate systems and process exist in the
-

Company to monitor and ensure compliances under other applicable Acts, Laws and Regulations as applicable to the Company.

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 SEBI Act, Regulations, Rules, Guidelines, Notifications, Circulars etc. are:-
 - 1. For Financial Results for 1st Quarter ended on 30/06/2021, was approved and adopted at the Board Meeting held on 07/08/2021, and the same was published in newspaper on 10/08/2021 i.e. beyond 48 Hrs of the conclusion of Board Meeting under Regulation 47(3) of LODR.
 - 2. For Financial Results for 2nd Quarter ended on 30/09/2021, was approved and adopted at the Board Meeting held on 06/11/2021, and the same was published in newspaper on 09/11/2021 i.e. beyond 48 Hrs of the conclusion of Board Meeting under Regulation 47(3) of LODR.

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. No 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.

-We also observed that during the audit period Mr. Rajendra Prasad Kadikattu, Director of the Company remained absent from all the meetings of the Board of Directors held during a period of 12 months with or without seeking leave of absence from Board.

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

Signature :

Date: 19th May, 2022

Name of Company Secretary in Practice : NIRAJ TRIVEDI

C. P. No. :3123

FCS :3844

PR No. :1014/2020

UDIN :F003844D000345108

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. Whereever 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.
- 7.

Place: Vadodara

Signature

:Sd/-

Date:19th May, 2022

Name of Company Secretary in Practice

: **NIRAJ TRIVEDI**

C. P. No.

:3123

FCS

:3844

PR No.

:1014/2020

UDIN :F003844D000345108

ANNEXURE-D

Details pertaining to remuneration as required under section 197(12) of the companies act, 2013, rule 5(1) of the companies (appointment and remuneration of managerial personnel) rules, 2014 read with the companies (appointment and remuneration of managerial personnel) amendments rules, 2016

- I. **The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the F.Y. 2021-2021 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the F.Y. 2021-2022 are as under:**

| Sr.No | Name of Director/ KMP and Designation | Remuneration of Director/KMP for F.Y.2021-22 | Remuneration of Director/KMP for F.Y.2020-21 | % Increase/ decrease in remuneration in the F.Y.2021-22 | % Increase/ decrease in remuneration in the F.Y.2021-22 |
|-------|---|---|---|---|---|
| 1. | Mr.Viren Rathod Managing Director | Nil | Nil | NA | NA |
| 2. | Mr.Tribhuvan Simh Rathod Chief Financial Officer | 2.40 lakhs | 2.40 lakhs | Nil | Nil |
| 3. | Mr.Dharmendrabhai Ramabhai Bhaliya Company Secretary and Compliance Officer | 2.40 Lakhs | NA | Nil | Nil |

- II.** The median remuneration of employees of the Company during the F.Y. 2021-2022 was 33400/-pm.
- III.** There were 3 permanent employees on the rolls of Company as on 31st March, 2022.
- IV.** Average percentage increase made in the salaries of employees other than the managerial personnel in the F.Y. 2021-2022 was Nil. The criteria for increase in remuneration of employees other than Managerial Personnel is based on an internal performance evaluation carried out by the Management annually, which is further based on overall performance of the Company.
- V.** It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

The information required under provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this Annual Report. Having regard to the provisions of Section 134 and Section 136 of the Companies Act, 2013, the Reports and Accounts are being sent to the Members excluding such information. However, the said information is available for inspection by the Members in electronics mode. Shareholders may write to the Company at cs@restile.comp in that regard, by mentioning "Request for Inspection" in the subject of the email.

For, RESTILE CERAMICS LIMITED

Place:Chennai
Date: 21.05.2022

**Sd/-
VIREN RATHOD
MANAGING DIRECTOR
(DIN: 03407158)**

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) 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, 2022, 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:-

| Sr. No. | Name of the Directors | DIN | Date of Appointment in the Company* |
|----------------|------------------------------|------------|--|
| 1 | Nalinkant Amratlal Rathod | 00272129 | 27.01.2003 |

| | | | |
|----|--|----------|------------|
| 2 | Rajendra Prasad Kandikattu | 00143653 | 31.01.2005 |
| 3 | Gopalachari Padmanabhan | 00101432 | 05.02.2005 |
| 4 | Nalandula Ramachandran Srinivasarao | 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 : 19TH MAY, 2022

PLACE : VADODARA

SIGNATURE : _____

NAME OF PCS : NIRAJ TRIVEDI

FCS : 3844

C. P. NO. : 3123

UDIN : F003844D000345196

MANAGING DIRECTOR (MD) AND CHIEF FINANCIAL OFFICER (C.F.O.) CERTIFICATION

To,
The Board of Directors,
Restile Ceramics Limited

In pursuance to Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, We, Viren Rathod, Managing Director (“MD”) and Tribhuvansimh Rathod Chief Financial Officer (“CFO”) to the best of our knowledge and belief, certify that:

1. We have reviewed financial statements and the cash flow statement for the year ended 31 March 2022 and that to the best of our knowledge and belief:
 - a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

- b. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. To the best of our knowledge and belief, there were no transactions entered into by the Company during the year which were fraudulent, illegal or which violated the Company's Code of Conduct.
3. We are responsible for establishing and maintaining internal controls for financial reporting and we have:
- a. evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting;
- b. not found any deficiencies in the design or operation of internal controls.
4. We have indicated to the Company's Auditors and the Audit Committee of the Board of Directors that:
- a. there is no significant changes that have occurred in the internal control over financial reporting during the year;
- b. there have been no significant changes in accounting policies during the year;
- c. there have been no instances of significant fraud nor there was any involvement of the management or an employee having a significant role in the Company's internal control system over financial reporting; and
- d. there were no deficiencies in the design or operation of internal controls, which could adversely affect the Company's ability to record, process, summarize and report financial data nor there were any material weaknesses in internal controls over financial reporting nor any corrective actions with regards to deficiencies, as there were none.
5. We declare that all Board members and Senior Managerial Personnel have affirmed compliance with the Code of Conduct for the current year.

Sd/-

Sd/-

PLACE :- Chennai**VIREN RATHOD****TRIBHUVAN SIMH RATHOD****DATE:- 21.05.2022****Managing Director****Chief Financial Officer****(DIN:- 03407158)****(PAN:- ACCPR4660H)**

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, 2022, 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, 2022, the loss and total comprehensive income, 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.

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>A. Revenue Recognition</p> <p>Reference may be made to note 1B.6 of significant accounting policies and note 38 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><u>Principal Audit Procedures</u></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 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</p> |

| | |
|--|---|
| | <p>relation to Ind AS 115 and were satisfied they meet the disclosure requirements.</p> <p><u>Conclusion</u></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. Inventory valuation</p> <p>Reference may be made to note 1C of significant accounting policies and note 22 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>Considering the above risks valuation of Inventory in accordance with Ind AS 2 has thus been considered as a key audit matter.</p> | <p><u>Principal Audit Procedures</u></p> <p>Our audit procedures comprised of the following:</p> <ol style="list-style-type: none"> 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. 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). 3. Also obtained management's assessment of impairment in the value of inventory carried in the books of accounts. <p><u>Conclusion:</u></p> <p>Based on the procedures performed above, we have concluded that management has complied with the measurement and disclosure requirements of IND AS 2 "Inventories".</p> |
| <p>C. Impairment of Property Plant and Equipment</p> | <p><u>Principal Audit Procedures</u></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>We have performed the following list of audit procedures</p> <ol style="list-style-type: none"> 1. Evaluated the design and effectiveness of internal controls established by the Company relating to assessment of the impairment 2. Obtained and evaluated the management's assessment of impairment. 3. Obtained the valuation report obtained by the Company. <p><u>Conclusion:</u></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.</p> |
| <p>D. Non-Payment/belated payment of Statutory Dues</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><u>Principal Audit Procedures</u></p> <p>We have performed the following list of audit procedures.</p> <ol style="list-style-type: none"> 1. Evaluated the design and effectiveness of internal controls established by the Company relating to compliance with statutory dues. 2. Obtained details of payment of various statutory dues to be paid by company. 3. Verified that whether company has been regular in payment of statutory dues. <p><u>Conclusion:</u></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 with applicable interest and delays noted are disclosed elsewhere in this report.</p> |

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the financial statements and our 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 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 these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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. Under section 143(3)(i) of the Companies Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls systems in place and the operating effectiveness of such controls
- 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, including other Comprehensive income, the 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 an unmodified 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, 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.
 - (i) 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)

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- ii. The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31,2022.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - v. There was no dividend declared / paid during the year by the company.

2. As required by the Companies (Auditor's Report) Order,2020 ("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: 22026452AKTIZT1363

May 21, 2022

Chennai

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 to the Members of Restile Ceramics Limited)

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, 2022 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, 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, 2022, 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.

For R. SUNDARARAJAN & ASSOCIATES

Chartered Accountants

Registration No. 08282S

S. Krishnan

Partner

Membership No. 26452

UDIN: 22026452AKTIZT1363

May 21, 2022

Chennai.

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, 2022)

1. In respect of the Company’s Property, Plant and Equipment:
 - (a) (i) The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment. The same however, needs to be updated.
 - (ii) The company doesnot have intangible assets.
 - (b) Property Plant and Equipment were physically verified by management during the year. According to the information and the explanations given to us, no material discrepancies were noticed during the year on such verification.
 - (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.
 - d) The Company has not revalued its Property, Plant and Equipment during the year.
 - e) No proceedings have been initiated during the year or are pending against the company as on March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
2.
 - a) 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.
 - b) The company has not been sanctioned any working capital during the year from banks or financial institutions.
3. The Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies ,firms, Limited Liability Partnerships or any other parties.
4. 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.

5. 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, 2022 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.
6. 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.
7. According to the information and explanations given to us and the books of account examined by us, in respect of statutory dues:
- (a) The company is generally regular in depositing amounts of undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Goods and Service tax, and other material statutory dues as applicable to the appropriate authorities during the year. Except stated below, there were no material undisputed amounts payable in respect of the aforesaid statutory dues outstanding as at March 31, 2022, for a period of more than six months from the date they became payable.

| Name of the Statute | Nature of the dues | Amount Rs in lakhs | Period to which the amount relates to |
|----------------------|-------------------------------|--------------------|---------------------------------------|
| Income Tax Act, 1961 | Interest on Income Tax demand | 1.00 | 2009-10 |
| Income Tax Act | Tax and Interest thereon | 2.01 | 2014-15 |

- (b) There are no dues of service tax, excise duty, goods and services tax, cess and customs duty, which have not been deposited on account of any dispute.
8. As per the information and explanation given to us, there were no transactions that are previously not recorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961
9. (a) According to information and explanation given to us, the Company does not have any borrowings from any bank or financial institution, Government or by way of Debentures.
- (b) As per the information and explanation given to us, the company has not been declared willful defaulter by any bank or financial institution or other lender.

-
- (c) The Company has not raised any term loans during the year and hence reporting on the application of such loans does not arise.
- (d) On an overall examination of the financial statements of the company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the company.
- (e) The company does not have any subsidiaries, joint ventures or associate companies. Accordingly, the provisions of Clause 3(ix)(e) and 3(ix)(f) of the Order are not applicable to the Company..
10. (a) 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.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares (covered by section 42 and section 62 (1)c of the Companies Act, 2013) or fully or partly convertible debentures and hence reporting under clause 3(x)(b) of the Order is not applicable.
11. (a) No fraud by the company and no material fraud on the company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) As per the information and explanation given to us, there are no whistle-blower complaints received during the year by the company up to the date of this report
12. 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
13. 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).
14. a) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.

-
- (b) We have considered the internal audit reports for the year under audit issued to the Company during the year, in determining the nature, timing and extent of our audit procedures.
15. In our opinion, the Company has not entered into any non-cash transactions during the year, with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
16. a) The Company is not required to be registered under section 45 - IA of the Reserve Bank of India Act, 1934 and it is not a Core Investment Company. Accordingly, the provisions of Clause 3(xvi)(a), (b) and (c) of the Order are not applicable to the Company.
17. The company has not incurred cash losses during the financial year covered by our audit and for the immediately preceding financial year.
18. There has been no resignation of the statutory auditors of the Company during the year. Accordingly, the provisions of Clause 3(xviii) of the Order are not applicable to the Company.
19. According to the information and explanations given to us and on the basis of: (i) the financial ratios, (ii) ageing and expected dates of realization of financial assets and payment of financial liabilities, (iii) other information accompanying the financial statements, (iv) our knowledge of the Board of Directors and management plans and (v) based on our examination of the evidence supporting the assumptions, we believe that there are indication of existence of material uncertainty as on the date of the audit report indicating that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We have accordingly qualified our report.
20. In our opinion and according to the information and explanations given to us, the provisions of section 135 not applicable to the Company. Accordingly, the provisions of Clause 3(xx) of the order are not applicable to the Company.

For R. SUNDARARAJAN & ASSOCIATES

Chartered Accountants

Firm Regn No: 082825

S. Krishnan- Partner

Membership No: 26452

UDIN: 22026452AKTIZT1363

Date: May 21, 2022

Place: Chennai,

| RESTILE CERAMICS LIMITED | | | |
|--|----------|--|-------------------------|
| Balance Sheet as at March 31, 2022 | | | |
| | | | Rs. In Lakhs |
| Particulars | Note No. | As at March 31, 2022 | As at March 31, 2021 |
| ASSETS | | | |
| Non-current assets | | | |
| (a) Property, plant and equipment | 1(a) | 745.14 | 1,317.08 |
| (b) Capital work-in-progress | 1(b) | 13.84 | 196.14 |
| (c) Financial assets - Deposits | 2 | 3.66 | 4.08 |
| (d) Non current tax assets | 3 | 0.57 | 0.46 |
| | | 763.21 | 1,517.76 |
| Current assets | | | |
| (a) Inventories | 4 | 142.05 | 159.14 |
| (b) Financial assets | | | |
| (i) Trade receivables | 5 | 4.62 | 1.83 |
| (ii) Cash and cash equivalents | 6 | 21.79 | 1.02 |
| (iii) Others | 7 | 169.92 | 33.48 |
| (c) Other current assets | 8 | 15.56 | 49.63 |
| | | 353.94 | 245.10 |
| TOTAL ASSETS | | 1,117.15 | 1,762.86 |
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| (a) Equity share capital | 9 | 9,827.92 | 9,827.92 |
| (b) Other equity | 10 | (12,741.81) | (12,136.67) |
| TOTAL EQUITY | | (2,913.89) | (2,308.75) |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| (a) Provisions | 11 | 2.86 | 2.63 |
| (b) Deferred tax liabilities (net) | 12 | - | - |
| | | 2.86 | 2.63 |
| Current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 13 | 3,918.62 | 3,918.62 |
| (ii) Trade payables | 14 | | |
| a) total outstanding dues of Micro, Small and Medium Enterprises | | - | - |
| b) total outstanding dues to other than Micro and Small Enterprises | | | |
| (iii) Other financial liabilities | 15 | 25.38 | 34.36 |
| (b) Provisions | 16 | 82.12 | 106.63 |
| (c) Other current liabilities | 17 | 0.70 | 0.57 |
| | | 1.37 | 8.80 |
| | | 4,028.19 | 4,068.98 |
| TOTAL EQUITY AND LIABILITIES | | 1,117.15 | 1,762.86 |
| Statement on Significant Accounting Policies and accompanying notes are an integral part of the Financial Statements | | | |
| As per our Report of even date attached | | | |
| For R.SUNDARARAJAN & ASSOCIATES | | For and on behalf of the Board | |
| Chartered Accountants | | | |
| Firm Registration No.082825 | | | |
| S.KRISHNAN | | VIREN RATHOD | |
| Partner | | Managing Director | |
| Membership No.26452 | | DIN:03407158 | |
| UDIN:22026452AJJLZY6744 | | Mani | |
| | | Director | |
| | | DIN:02577983 | |
| Place: Chennai | | TRIBHUVAN SIMH RATHOD | |
| Date: 21-05-2022 | | Chief Financial Officer | |
| | | BHALIYA DHARMENDRABHAI RAMABHAI | |
| | | Company Secretary | |

| RESTILE CERAMICS LIMITED | | | |
|---|------|--|---|
| Statement of Profit and Loss for the year ended March 31, 2022 | | | |
| | | | Rs. In Lakhs |
| Particulars | Note | As at March 31, 2022 | As at March 31, 2021 |
| INCOME | | | |
| Revenue from operations | 18 | 59.34 | 182.54 |
| Other income | 19 | 23.83 | 0.43 |
| Total Income | | 83.17 | 182.97 |
| EXPENSES | | | |
| Cost of materials consumed | 20 | 2.26 | 2.39 |
| Purchase of traded goods | 21 | 47.18 | 130.55 |
| Changes in inventories of finished goods, work-in-progress and stock-in-trade | 22 | 8.17 | 27.01 |
| Employee benefits expense | 23 | 28.90 | 41.25 |
| Depreciation and amortisation expense | 24 | 571.94 | 571.94 |
| Other expenses | 25 | 30.06 | 80.13 |
| Total expenses | | 688.51 | 853.27 |
| Profit / (Loss) before exceptional items and tax | | (605.34) | (670.30) |
| Exceptional items | | - | 0.00 |
| Profit / (Loss) before tax | | (605.34) | (670.30) |
| Tax expense: | | | |
| - Current tax | | - | - |
| - Deferred tax - Net | | - | - |
| | | - | - |
| Profit / (Loss) for the year | | (605.34) | (670.30) |
| Other Comprehensive Income | | | |
| A. Items that will not be reclassified to Profit or Loss | | | |
| - Remeasurement of defined benefit plans | | 0.20 | (0.16) |
| - 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 | | - | - |
| Total Other Comprehensive Income | | 0.20 | (0.16) |
| Total Comprehensive Income/(Loss) for the year | | (605.14) | (670.46) |
| Earnings per equity share (Face Value of Rs. 10/- each) | | | |
| - Basic and Diluted (in Rs.) | 29 | (0.62) | (0.68) |
| Statement on Significant Accounting Policies and accompanying notes are an integral part of the Financial Statements As per our Report of even date attached | | | |
| For R.SUNDARARAJAN & ASSOCIATES | | For and on behalf of the Board | |
| Chartered Accountants Firm Registration No.082825 | | | |
| S.KRISHNAN Partner Membership No.26452 UDIN:22026452AJLZY6744 | | VIREN RATHOD Managing Director DIN:03407158 | Mani Director DIN:02577983 |
| | | TRIBHUVAN SIMH RATHOD Chief Financial Officer | Bhaliya Dharmendrabhai Ramabhai Company Secretary |
| Place: Chennai Date:21.05.2022 | | | |

| RESTILE CERAMICS LIMITED | | | |
|---|---|------------------------------|------------------------------|
| Statement of cash Flows for the Year ended 31st March ,2022 | | | |
| Rs. In lakhs | | | |
| Particulars | | Year ended March 31, 2022 | Year ended March 31, 2021 |
| Cash flow from operating activities | | | |
| Profit/ (Loss) before tax | | (605.34) | (670.30) |
| <u>Adjustments for -</u> | | | - |
| Depreciation & Amortisation expense | | 571.94 | 571.94 |
| Finance cost | | - | - |
| Unclaimed balances written back | | (23.61) | - |
| Interest income | | (0.22) | (0.43) |
| Remeasurement of defined benefit plans | | 0.20 | (0.16) |
| Operating profit/ (loss) before working capital changes | | (57.03) | (98.95) |
| <u>Adjustments for changes in -</u> | | | |
| Trade receivables | | (2.79) | 6.05 |
| Inventories | | 17.09 | 74.86 |
| Non current and current Financial Assets | | (136.14) | 5.37 |
| Other non current and current Assets | | 34.07 | 6.16 |
| Trade payables | | 14.63 | 4.78 |
| Non current and current Financial Liabilities | | (24.51) | 7.85 |
| Other Non current and current Liabilities | | (7.43) | (0.03) |
| Other Non current and Current provisions | | 0.36 | (2.18) |
| Cash generated from operations | | (161.75) | 3.91 |
| Income Tax (net) | | - | - |
| Net cash from operating activities | A | (161.75) | 3.91 |
| Cash flow from Investing activities | | | |
| Interest Received | | 0.22 | 0.43 |
| Proceeds from disposal of Capital work in Progress | | 182.30 | - |
| Net cash from investing activities | B | 182.52 | 0.43 |
| Cash flow from financing activities | | | |
| Proceeds from current Borrowings | | - | - |
| Repayments of current Borrowings | | - | (3.50) |
| Interest Paid | | - | - |
| Net cash (used in) financing activities | C | - | (3.50) |
| Net increase/(decrease) in cash and cash equivalents | [A+B+C] | 20.77 | 0.84 |
| Cash and cash equivalents | | | |
| At beginning | | 1.02 | 0.18 |
| At end | | 21.79 | 1.02 |
| 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.SUNDARAJAN & ASSOCIATES | For and on behalf of the Board | | |
| Chartered Accountants | | | |
| Firm Registration No.082825 | | | |
| S.KRISHNAN | VIREN RATHOD | Mani | |
| Partner | Managing Director | Director | |
| Membership No.26452 | DIN:03407158 | DIN:02577983 | |
| UDIN:22026452AJJLY6744 | | | |
| | TRIBHUVAN Bhaliya Dharmendrabhai I | | |
| | Chief Financial Company Secretary | | |
| Place: Chennai | | | |
| Date: 21.05.2022 | | | |

RESTILE CERAMICS LIMITED

Statement of Changes in Equity for the year ended March 31, 2022

A. Equity Share Capital

(1) Current reporting period

Rs. in lakhs

| Balance at the beginning of April 01, 2021 | Changes in equity share capital due to prior year error | Restated balance at the beginning of the current period | Changes in equity share capital during the current period | Balance at the end of March 31, 2022 |
|--|---|---|---|--------------------------------------|
| 9,827.92 | - | 9,827.92 | - | 9,827.92 |

(2) Previous reporting period

| Balance at the beginning of April 01, 2020 | Changes in equity share capital due to prior year error | Restated balance at the beginning of the current period | Changes in equity share capital during the current period | 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 (i) | Retained Earnings (ii) | Other items of other comprehensive Income (iii) | Total |
|---|----------------------------------|---------------------------|--|-------------|
| Balance at the beginning of April 1, 2020 | 754.44 | (12,218.97) | (1.68) | (11,466.21) |
| Profit/(Loss) for the year | - | (670.30) | - | (670.30) |
| Total comprehensive income | - | - | (0.16) | (0.16) |
| Balance at the end of March 31, 2021 | 754.44 | (12,889.27) | (1.84) | (12,136.67) |
| Profit/(Loss) for the year | - | (605.34) | - | (605.34) |
| Other comprehensive income | - | - | 0.20 | 0.20 |
| Balance at the end of March 31, 2022 | 754.44 | (13,494.61) | (1.64) | (12,741.81) |

a) Dividends declared / Paid during the year and Amounts Transferred to Retained earnings from each component of other equity Rs. Nil (FY 2020-21 Nil)

b) Share applications money pending allotment, Equity component of compound financial instruments, capital reserves, Security premium, Debt/ Equity instruments through OCI, Effective portion of cash flow hedges, Revaluation surplus Etc., Rs. Nil (FY 2020-21 Rs. Nil)

c) Other comprehensive income includes actuarial gains/(loss) on remeasurement of defined benefit plants.

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

As per our Report attached

For R.SUNDARAJAN & ASSOCIATES

Chartered Accountants

Firm Registration No.082825

For and on behalf of the Board

S.KRISHNAN

Partner

Membership No.26452

UDIN:22026452AJJLZY6744

VIREN RATHOD

Managing Director

DIN:03407158

Mani

Director

DIN:02577983

TRIBHUVAN SIMH RATHOD

Chief Financial Officer

Bhaliya Dharmendrabhai Ramabhai

Company Secretary

Place : Chennai

Date: 21.05.2022

| RESTILE CERAMICS LIMITED | | | | | | | | | |
|---|------------------------------|-----------|---------------|--------------------|----------------------------------|---------------------------|----------|--------------------|----------------------------|
| Notes Annexed to and Forming part of the Financial Statements | | | | | | | | | |
| Note 1a - PROPERTY, PLANT AND EQUIPMENT | | | | | | | | | |
| | | | | | | | | | Rs. In Lakhs |
| 2021-22 | Gross Carrying Amount | | | | Depreciation/Amortisation | | | | Net Carrying Amount |
| Description | As at 01.4.2021 | Additions | (Deletions) | As at 31.3.2022 | As at 01.4.2021 | Charge during the year | Disposal | As at 31.3.2022 | As at 31.3.2022 |
| Land - Freehold land | 65.11 | - | - | 65.11 | - | - | - | - | 65.11 |
| Buildings | 816.25 | - | - | 816.25 | 181.19 | 38.12 | - | 219.31 | 596.94 |
| Plant and Equipment | 2,999.76 | - | - | 2,999.76 | 2,382.85 | 533.82 | - | 2,916.67 | 83.09 |
| Furniture and Fixtures | 3.94 | - | - | 3.94 | 3.94 | - | - | 3.94 | - |
| Vehicles | 0.02 | - | - | 0.02 | 0.02 | - | - | 0.02 | - |
| Total | 3,885.08 | - | - | 3,885.08 | 2,568.00 | 571.94 | - | 3,139.94 | 745.14 |
| Capital Work in Progress | 196.14 | - | 182.30 | 13.84 | - | - | - | - | 13.84 |
| Note 1a - PROPERTY, PLANT AND EQUIPMENT | | | | | | | | | |
| | | | | | | | | | 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 | - |
| Total | 3,885.08 | - | - | 3,885.08 | 1,996.06 | 571.94 | - | 2,568.00 | 1,317.08 |
| Capital Work in Progress | 196.14 | - | - | 196.14 | - | - | - | - | 196.14 |
| Note: | | | | | | | | | |
| (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) During the current year, the company had made an assessment of its Land and Building situate at Malkapur Village, Medak District which has revealed that the market value thereof is higher than the carrying values as of October 2021. Accordingly, there is no impairment in value of buildings to be recognised in the books, as at March 31, 2022 | | | | | | | | | |
| (c) Capital commitments (net off advances) is Rs. nil lacs (2020-2021 - Rs. Nil). | | | | | | | | | |
| (d) During the year, exchange loss/ gain capitalised, borrowing cost capitalised and expenditure in the course of completion is Rs NIL (2020-21: Rs NIL) | | | | | | | | | |
| (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder. | | | | | | | | | |

RESTILE CERAMICS LIMITED

Notes annexed to and forming part of the financial statements

1 (a) CAPITAL WORK IN PROGRESS

Financial Year 2021-22

Rs. Lakhs

| Description | As at March 31, 2021 | Additions | Disposals | As at March 31, 2022 |
|--------------------------|-------------------------|-----------|-----------|-------------------------|
| Capital work-in-progress | 196.14 | - | 182.30 | 13.84 |

CWIP Ageing Schedule

Rs. Lakhs

| Description | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|--------------------------------|------------------|-----------|-----------|-------------------|-------|
| Projects in progress | - | - | - | - | - |
| Projects temporarily suspended | - | - | - | 13.84 | 13.84 |

Financial Year 2020-21

Rs. Lakhs

| DESCRIPTION | GROSS CARRYING AMOUNT (COST) | | | |
|--------------------------|--------------------------------|-----------|-----------|-------------------------|
| | As at March 31, 2020 | Additions | Disposals | As at March 31, 2021 |
| Capital work-in-progress | 196.14 | | - | 196.14 |

CWIP Ageing Schedule

Rs. Lakhs

| Amount in CWIP for a period of | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|--------------------------------|------------------|-----------|-----------|-------------------|--------|
| Projects in progress | - | - | - | - | - |
| Projects temporarily suspended | - | - | - | 196.14 | 196.14 |

Notes:

- i) Capital work in progress (CWIP) whose completion is overdue or has exceeded its cost compared to its original plan is Rs.13.84 lakhs - Nil (FY 2020-21- 196.14 lakhs)
 ii) The project's to use Foshan Pump Driving System that is lying in CWIP as at March 31, 2022 has been suspended

RESTILE CERAMICS LIMITED**Notes Annexed to and Forming part of the Financial Statements****Rs. In Lakhs**

| Note 2 - NON-CURRENT FINANCIAL ASSET | As at March 31, 2022 | As at March 31, 2021 |
|---|-----------------------------|-----------------------------|
| Security deposits | | |
| - Considered Good | 3.66 | 4.08 |
| - Considered Doubtful | 2.08 | 2.08 |
| - Less: Provision for doubtful deposits | (2.08) | (2.08) |
| | - | - |
| Total | 3.66 | 4.08 |

Rs. In Lakhs

| Note 3 - NON-CURRENT ASSET | As at March 31, 2022 | As at March 31, 2021 |
|-----------------------------------|-----------------------------|-----------------------------|
| Income Tax Refund receivable | 0.57 | 0.46 |
| | 0.57 | 0.46 |

CURRENT ASSETS**Rs. In Lakhs**

| Note 4 - INVENTORIES | As at March 31, 2022 | As at March 31, 2021 |
|-----------------------------|-----------------------------|-----------------------------|
| (a) Raw materials | 43.05 | 45.31 |
| (b) Work-in-progress | - | - |
| (c) Finished goods | 70.63 | 78.80 |
| (d) Stores and spares | 28.37 | 35.03 |
| | 142.05 | 159.14 |

Note:

4.1. Cost of materials consumed (including cost of purchased goods) during the year is Rs.51.60 lakhs (2020 21 Rs.159.95lakhs) 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.

4.3 Inventories given as securities against borrowings Rs. Nil

| | | Rs. In Lakhs | | | | | | | |
|---|---|---------------------|---------------------|-------------------|-------------|-------------|-------------------|-------|--|
| Note 5 - TRADE RECEIVABLES | | As at March 31 2022 | As at March 31 2021 | | | | | | |
| Trade Receivables - Unsecured Considered Good | | | | | | | | | |
| -Related Parties | | - | - | | | | | | |
| -Others | | 4.62 | 1.83 | | | | | | |
| Total | | 4.62 | 1.83 | | | | | | |
| i) Trade receivables which have significant increase in credit risk / Credit impaired | | - | - | - | | | | | |
| | | | | | | | | | |
| Particulars | Outstanding as at March 31, 2022 for following periods from due date of payment | | | | | | | | |
| | Unbilled | Not Due | Less than 6 months | 6 months - 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | Total | |
| Related Parties | - | - | - | - | - | - | - | - | |
| Others | | | | | | | | | |
| (i) Undisputed Trade receivables – considered good | - | - | 4.62 | | - | - | - | 4.62 | |
| | | | | | | | | | |
| Particulars | Outstanding as at March 31, 2021 for following periods from due date of payment | | | | | | | | |
| | Unbilled | Not Due | Less than 6 months | 6 months - 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | Total | |
| Related Parties | - | - | - | - | - | - | - | - | |
| Others | | | | | | | | | |
| (i) Undisputed Trade receivables – considered good | - | - | 1.83 | | - | - | - | 1.83 | |

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

| | Rs. In Lakhs | |
|---|-----------------------------|-----------------------------|
| | As at March 31, 2022 | As at March 31, 2021 |
| Note 6 - CASH AND CASH EQUIVALENTS | | |
| Balances with banks in current account | 21.79 | 0.74 |
| Cash on hand | - | 0.28 |
| Total | 21.79 | 1.02 |

| | Rs. In Lakhs | |
|--|----------------------------|----------------------------|
| | As at March 31 2022 | As at March 31 2021 |
| Note 7 - CURRENT FINANCIAL ASSETS - OTHERS | | |
| Unsecured, considered good | | |
| (a) Interest accrued on deposits | 0.43 | 0.21 |
| (b) Receivable for sale of machinery-Due from Related Party* | 169.49 | 33.27 |
| Total | 169.92 | 33.48 |

* Refer Note 33.1

| | Rs. In Lakhs | |
|--|-----------------------------|-----------------------------|
| | As at March 31, 2022 | As at March 31, 2021 |
| Note 8 - OTHER CURRENT ASSETS | | |
| (Unsecured, considered good) | | |
| a) Prepaid expenses | - | - |
| b) Balances with Government authorities - GST Credit | 15.56 | 49.63 |
| Total | 15.56 | 49.63 |

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

| | As at March 31 2022 | Rs. In Lakhs As at March 31 |
|---|----------------------------|--|
| Note 9 - EQUITY SHARE CAPITAL | | |
| <u>Authorised</u> | | |
| 10,00,00,000 (2020: 10,00,00,000) Equity shares of Rs.10 each with voting rights. | <u>10,000.00</u> | <u>10,000.00</u> |
| 9,82,79,239 (2020: 9,82,79,239) Equity shares of Rs.10 each with voting rights | <u>9,827.92</u> | <u>9,827.92</u> |
| <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 |
| Total | <u>9,827.92</u> | <u>9,827.92</u> |

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

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

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

| Name of shareholder | % | No. of shares | % | No. of shares |
|---|----------|----------------------|----------|----------------------|
| 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 received in cash,bonus shares and shares bought back in the 5 years immediately preceeding the Balance Sheet date- Nil (2021-Nil)

9.5 Equity shares held by the holding company, the ultimate holding company, subsidiaries/associate of the holding company or the untimate holding company in aggregate.

| Shareholding of Promoters | As at March 31, 2022 | % | As at March 31, 2021 | % |
|---|---------------------------------|----------|---------------------------------|----------|
| | No. of shares | | No. of shares | |
| 1. Mr Nalinkant Amratlal Rathod | 81,26,383 | 8.27 | 81,26,383 | 8.27 |
| 2. Solomed Capital Pte Ltd- Holding Company | 6,25,96,302 | 63.69 | 6,25,96,302 | 63.69 |
| 3.Tribhuvan Simh Rathod | 10 | - | | - |
| 4.Mr.Udhay Rathod | 10 | - | | - |
| 5.Mrs.Shruti Rathod | 10 | - | | - |

9.6. Shares held by Promoters at the end for the year

| Promoters Name | As at March 31, 2022 | % of shares | % change during the year |
|---|---------------------------------|--------------------|-------------------------------------|
| | No. of shares | | |
| 1. Mr Nalinkant Amratlal Rathod | 81,26,383 | 8.27 | - |
| 2. Solomed Capital Pte Ltd- Holding Company | 6,25,96,302 | 63.69 | - |
| 3.Tribhuvan Simh Rathod | 10 | - | - |
| 4.Mr.Udhay Rathod | 10 | - | - |
| 5.Mrs.Shruti Rathod | 10 | - | - |

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

| | | Rs. In Lakhs | |
|-------------------------------|---|----------------------------|----------------------------|
| Note 10 - OTHER EQUITY | | As at March 31 2022 | As at March 31 2021 |
| A) Capital Reduction Reserve | A | 754.44 | 754.44 |
| B) Retained earnings | B | (13,494.61) | (12,889.27) |
| C) Other Comprehensive Income | | (1.64) | (1.84) |
| Total | | (12,741.81) | (12,136.67) |

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 had indicated impairment in value of building as at April 1,2017 to the extent of Rs.376.20 lakhs. However, independent valuation during the year has not revealed any impairment in buildings as compared to realisable values.

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 had been adjusted under retained earnings as per the provisions of Ind AS 101 ' First time adoption of Ind AS'.

10.4. Refer statement of changes in Equity for additions / deletions to each reserve.

| | | Rs. In Lakhs | |
|---|--|----------------------------|----------------------------|
| Note 11 - NON-CURRENT PROVISIONS | | As at March 31 2022 | As at March 31 2021 |
| Provision for employee benefits: | | | |
| a) Gratuity | | 2.62 | 2.38 |
| b) Leave Encashment | | 0.24 | 0.25 |
| Total | | 2.86 | 2.63 |

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 31.03.2021 | Addition/ (Reversal) | Balance as at 31.03.2022 |
|--------------------|---------------------------------|-----------------------------|---------------------------------|
| Gratuity | 2.82 | 0.37 | 3.19 |
| Leave encashment | 0.38 | (0.01) | 0.37 |

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

| | | Rs. In Lakhs |
|---|-----------------------------|----------------------------|
| Note 12 - DEFERRED TAX LIABILITY | As at March 31, 2022 | As at March 31 2021 |
| Deferred Tax (Assets) | - | (98.84) |
| Deferred Tax Liability | - | 98.84 |
| Total | - | - |

Refer Note 27.1 for details

| | | Rs. In Lakhs |
|--|-----------------------------|----------------------------|
| Note 13 - CURRENT FINANCIAL LIABILITES-BORROWINGS | As at March 31, 2022 | As at March 31 2021 |
| Unsecured- Related Parties (Refer Note 33.1) | | |
| - From Directors* | 3,918.62 | 3,918.62 |
| Total | 3,918.62 | 3,918.62 |

* Interest Free borrowing from directors repayable on demand

13.1. The Company has not been declared wilful defaulter by any bank or financial institution or other lender.

13.2. There are no borrowings from banks or financial institutions for any specific purpose.

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

Note 14 - CURRENT FINANCIAL LIABILITIES- TRADE PAYABLES

Rs. In Lakhs

As at March 31 2022 As at March 31 2021

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 | 25.38 | 34.36 |
| Total | 25.38 | 34.36 |

| Particulars | Outstanding as at 31 march 2022 for following periods from due date of payment | | | | | | |
|-------------|--|---------|------------------|-----------|-----------|-------------------|-------|
| | Unbilled | Not Due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) MSME | - | - | - | - | - | - | - |
| (ii) Others | - | - | 0.13 | 6.19 | 8.10 | 10.96 | 25.38 |

| Particulars | Outstanding as at 31 march 2021 for following periods from due date of payment | | | | | | |
|-------------|--|---------|------------------|-----------|-----------|-------------------|-------|
| | Unbilled | Not Due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) MSME | - | - | - | - | - | - | - |
| (ii) Others | - | - | 2.19 | 13.64 | - | 18.53 | 34.36 |

*Refer Note 26

Note 15 - CURRENT FINANCIAL LIABILITIES - OTHER FINANCIAL LIABILITIES

Rs. In Lakhs

As at March 31 2022 As at March 31 2021

| | | |
|---------------------------|--------------|---------------|
| a) Dues to employees | 10.38 | 32.93 |
| b) Creditors for expenses | 12.13 | 12.72 |
| c) Security Deposits | 45.50 | 45.50 |
| d) Refund Liabilities | 14.11 | 15.34 |
| e) Others | - | 0.14 |
| Total | 82.12 | 106.63 |

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

| Note 16 - CURRENT PROVISIONS | Rs. In Lakhs | |
|---|----------------------------|----------------------------|
| | As at March 31 2022 | As at March 31 2021 |
| Provision for employee benefits: | | |
| a) Gratuity | 0.57 | 0.44 |
| b) Leave encashment | 0.13 | 0.13 |
| Total | 0.70 | 0.57 |

16.1. Refer Note 11.1 with regard to movement in provisions

| Note 17 - OTHER CURRENT LIABILITIES | Rs. In Lakhs | |
|--|----------------------------|----------------------------|
| | As at March 31 2022 | As at March 31 2021 |
| Statutory dues | 1.37 | 8.80 |
| Total | 1.37 | 8.80 |

RESTILE CERAMICS LIMITED**Notes forming part of the financial statements****Note 18: Revenue from Operations****Rs. In Lakhs**

| Particulars | Year ended 31 March, 2022 | Year ended 31 March, 2021 |
|-----------------------------|--------------------------------------|--------------------------------------|
| (a) Sale of Goods | | |
| - Virtrified Tiles | 59.34 | 147.37 |
| - Spares | - | - |
| (b) Other Operating Revenue | | |
| - Others | - | 35.17 |
| Total | 59.34 | 182.54 |

Note 19: Other income**Rs. In Lakhs**

| Particulars | Year ended 31 March, 2022 | Year ended 31 March, 2021 |
|-------------------------------------|--------------------------------------|--------------------------------------|
| (a) Interest income | 0.22 | 0.43 |
| (b) Unclaimed balances written back | 23.61 | - |
| Total | 23.83 | 0.43 |

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

| Particulars | Year ended 31 March, 2022 | Year ended 31 March, 2021 |
|----------------------------------|--------------------------------------|--------------------------------------|
| Opening stock | 45.31 | 47.70 |
| Add: Purchases | - | - |
| Less: Closing stock | 43.05 | 45.31 |
| Cost of material consumed | 2.26 | 2.39 |

20.1. Value of Indigenous material in consumption (100%) 2.26 2.39

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

| Particulars | Year ended 31 March, 2022 | Year ended 31 March, 2021 |
|--|--------------------------------------|--------------------------------------|
| Unglazed fully vitrified ceramic Tiles | 47.18 | 130.55 |
| Total | 47.18 | 130.55 |

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

| Particulars | Year ended 31 March, 2022 | Year ended 31 March, 2021 |
|--|--------------------------------------|--------------------------------------|
| <u>Inventories at the beginning of the year:</u> | | |
| Finished goods | 78.80 | 105.81 |
| Work-in-progress | - | - |
| | 78.80 | 105.81 |
| <u>Inventories at the end of the year:</u> | | |
| Finished goods | 70.63 | 78.80 |
| Work-in-progress | - | - |
| | 70.63 | 78.80 |
| | | |
| Decrease in value of Finished goods and Work-in-progress | 8.17 | 27.01 |

RESTILE CERAMICS LIMITED

Notes forming part of the financial statements

Note 23 Employee benefits expense**Rs. In Lakhs**

| Particulars | Year ended 31 March, 2022 | Year ended 31 March, 2021 |
|--|--------------------------------------|----------------------------------|
| Salaries, Wages and Bonus | 26.39 | 37.97 |
| Contributions to provident and other funds | 0.95 | 1.15 |
| Gratuity | 0.56 | 0.78 |
| Staff welfare expenses | 1.00 | 1.35 |
| Total | 28.90 | 41.25 |

RESTILE CERAMICS LIMITED

Notes forming part of the financial statements

Note 24 Depreciation and Amortisation Expense

| Particulars | Year ended 31 March, 2022 | Rs. In Lakhs Year ended 31 March, 2021 |
|----------------------------|----------------------------------|---|
| (a) Buildings | 38.12 | 38.12 |
| (b) Plant and Equipment | 533.82 | 533.82 |
| (c) Furniture and Fixtures | 0 | 0 |
| Total | 571.94 | 571.94 |

| RESTILE CERAMICS LIMITED | | |
|---|---------------------------|---------------------------|
| Notes forming part of the financial statements | | |
| Note 25 Other expenses | | |
| | Rs. in lakhs | |
| Particulars | Year ended 31 March, 2022 | Year ended 31 March, 2021 |
| Consumption of stores and spare parts | 6.66 | 45.46 |
| Power and fuel | 0.13 | 6.62 |
| Rent | 0.24 | 0.24 |
| Repairs and maintenance - Others | 0.77 | 1.19 |
| Insurance | - | 0.41 |
| Rates and taxes | 5.12 | 7.08 |
| Communication expenses | 0.32 | 0.69 |
| Business promotion | 0.33 | 0.35 |
| Legal and professional | 3.56 | 3.29 |
| Payments to auditors | 3.50 | 4.50 |
| Directors Sitting Fees | 1.80 | 1.40 |
| Vehicle expenses | 1.07 | 0.58 |
| Listing Fees | 4.50 | 4.50 |
| AGM Expenses | 0.59 | 1.13 |
| Bad debts written off | 0.00 | 1.47 |
| Bank Charges | 0.01 | 0.01 |
| Miscellaneous expenses | 1.46 | 1.21 |
| Total | 30.06 | 80.13 |
| 25.1 Payments to the auditors comprises : | | |
| | Rs. In Lakhs | |
| Particulars | Year ended 31 March, 2022 | Year ended 31 March, 2021 |
| - Towards Statutory Audit | 3.50 | 3.50 |
| - Towards Tax Audit | - | 1.00 |
| Total | 3.50 | 4.50 |
| 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 (2021-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, 2022 | Rs. In Lakhs March 31, 2021 |
|--|-----------------------|--|
| | - | - |
| | - | - |
| | - | (98.84) |
| | - | 98.84 |
| | - | - |

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, 2022 | Rs. In Lakhs March 31, 2021 |
|--|-----------------------|--|
| | 1,665.53 | 1,955.81 |
| | 10,010.58 | 9,892.23 |
| | 11,676.12 | 11,848.04 |

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. Timing differences relating to PPE and other items result in a Deferred Tax asset.

Considering the provisions of Ind AS12 'Income taxes' and as a matter of prudence, deferred tax asset is not accrued.

Restile Ceramics Limited**Notes annexed to and forming part of the Financial Statements****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.0.95 lakhs (for the year ended March 31, 2021: Rs.1.15 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. |

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

28 Retirement benefit plans continued...

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

Rs. In Lakhs

| | March 31, 2022 | March 31, 2021 |
|--|----------------|----------------|
| Gratuity and Compensated absences | | |
| Discount rate(s) | 5.85% | 5.61% |
| 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:

| | March 31, 2022 | March 31, 2021 |
|---|----------------|----------------|
| Gratuity | | |
| Current service cost | 0.42 | 0.53 |
| Past service cost | - | - |
| Net interest expense | 0.14 | 0.25 |
| Components of defined benefit costs recognised in profit or loss | 0.56 | 0.78 |

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 | (0.03) | 0.01 |
| Actuarial (gains)/losses arising from experience adjustments | (0.17) | 0.15 |
| Return on plan assets (excluding amounts included in net interest expense) | | |
| Components of defined benefit costs recognised in other comprehensive income | (0.20) | 0.16 |

| | | |
|--------------|-------------|-------------|
| Total | 0.36 | 0.94 |
|--------------|-------------|-------------|

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

Compensated Absences

| | | |
|--|-------------|-------------|
| Current service cost | 0.12 | 0.14 |
| Net interest expense | 0.02 | 0.03 |
| Actuarial (gains)/losses arising from changes in demographic assumptions | - | - |
| Actuarial (gains)/losses arising from changes in financial assumptions | - | - |
| Actuarial (gains)/losses arising from experience adjustments | (0.10) | (0.10) |
| Recognised in profit or loss | 0.04 | 0.07 |

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:

| | March 31, 2022 | March 31, 2021 |
|---|----------------|----------------|
| Gratuity | | |
| Present value of defined benefit obligation | 3.19 | 2.82 |
| Fair value of plan assets | - | - |
| Net liability arising from defined benefit obligation (unfunded) | 3.19 | 2.82 |

Compensated Absences

| | | |
|--|-------------|-------------|
| Present value of defined benefit obligation | 0.37 | 0.38 |
| Fair value of plan assets | - | - |
| Net liability arising from defined benefit obligation (unfunded) | 0.37 | 0.38 |

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, 2022 | Rs. In Lakhs March 31, 2021 |
|--|----------------|--------------------------------|
| Gratuity | | |
| Opening defined benefit obligation | 2.82 | 4.78 |
| Current service cost | 0.42 | 0.53 |
| Interest cost | 0.15 | 0.25 |
| Actuarial (gains)/losses arising from changes in demographic assumptions | - | - |
| Actuarial (gains)/losses arising from changes in financial assumptions | (0.03) | 0.01 |
| Actuarial (gains)/losses arising from experience adjustments | (0.17) | 0.15 |
| Benefits paid | - | (2.90) |
| Closing defined benefit obligation | 3.19 | 2.82 |

Compensated Absences

| | | |
|--|-------------|-------------|
| Opening defined benefit obligation | 0.38 | 0.59 |
| Current service cost | 0.12 | 0.14 |
| Interest cost | 0.02 | 0.03 |
| Actuarial (gains)/losses arising from changes in demographic assumptions | - | - |
| Actuarial (gains)/losses arising from changes in financial assumptions | - | - |
| Actuarial (gains)/losses arising from experience adjustments | (0.10) | (0.10) |
| Benefits paid | (0.05) | (0.28) |
| Closing defined benefit obligation | 0.37 | 0.38 |

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

| | March 31, 2022 | Rs. In Lakhs March 31, 2021 |
|--|----------------|--------------------------------|
| Gratuity | | |
| 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 (2020-21: 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, 2022 | Rs. In Lakhs March 31, 2021 |
|---|----------------|--------------------------------|
| Gratuity | | |
| If the discount rate is 100 basis points higher/lower, the defined benefit obligation would: | | |
| decrease to | 0.12 | 0.13 |
| increase to | (0.12) | (0.11) |
| If the expected salary increases/decreases by 100 basis points, the defined benefit obligation would: | | |
| increase to | (0.12) | 0.12 |
| decrease to | 0.12 | (0.12) |
| Compensated Absences | | |
| If the discount rate is 100 basis points higher/lower, the defined benefit obligation would: | | |
| decrease to | 0.01 | (0.02) |
| increase to | (0.01) | 0.01 |
| If the expected salary increases/decreases by 100 basis points, the defined benefit obligation would: | | |
| increase to | 0.01 | 0.02 |
| decrease to | 0.01 | (0.01) |

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 | 0.57 | 0.32 | 0.29 | 0.28 | 0.40 | 2.09 |

Weighted Average remaining duration of Defined benefit obligation as at March 31, 2022 is 3.89 (as at March 31, 2021 : 4.39)

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

| 29 Earnings per share | Year ended March 31, 2022 | Year ended March 31, 2021 |
|--|--------------------------------------|--------------------------------------|
| Basic and diluted earnings per share (Rs.) | (0.62) | (0.68) |
| Face value per share (Rs.) | 10.00 | 10.00 |
| 29.1 <i>Basic and diluted earnings per share</i> | | |
| Profit for the year attributable to equity shareholders (Rs. In Lakhs) | (605.34) | (670.30) |
| Weighted average number of equity shares used in the calculation of basic and diluted earnings per share (Nos. In Lakhs) | 982.79 | 982.79 |

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

30 Segment Information

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.

The secondary segment is the geographical location of the customers.

| Particulars | In India | Outside India | Total |
|--|----------|---------------|--------|
| Revenue from external customers (FY 2021-22) | 59.34 | - | 59.34 |
| Revenue from external customers (FY 2020-21) | 182.54 | - | 182.54 |

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.
Financial Year 2021-22

Revenue from Customer 1- Rs.55.25 Lakhs

Financial Year 2020-21

Revenue from Customer 1- Rs. 31.19 Lakhs

Revenue from Customer 2- Rs. 28.38 Lakhs

Revenue from Customer 3- Rs. 18.76 Lakhs

32 Financial risk management objectives and policies

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.

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.

A) Market risk

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.

(i) Foreign Currency Risk

There are no foreign currency transactions during the year.

ii) Interest rate risk

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.

iii) Other Price risk

There are no Equity price risk as there are no investments.

B) Credit Risk

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.

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.

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

C) Liquidity risk

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 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.

| Rs. In Lakhs | | | |
|---|--------------|----------------|----------|
| Contractual Maturities of financial liabilities | 1 to 3 years | Beyond 3 years | Total |
| As at March 31, 2022 | | | - |
| Security deposits received from dealers | 45.50 | - | 45.50 |
| Trade Payables | 25.38 | - | 25.38 |
| Loans repayable to Directors | 3,918.62 | - | 3,918.62 |
| Dues to employees | 10.38 | - | 10.38 |
| Refund liabilities | 14.11 | - | 14.11 |
| Creditors for expenses | 12.13 | - | 12.13 |
| Others | - | - | - |
| As at March 31, 2021 | | | |
| 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 |

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.

| Rs. In Lakhs | | |
|---|----------------|----------------|
| 32.2 Financial Instruments by Category | 31-Mar-22 | 31-Mar-21 |
| | Amortised Cost | Amortised Cost |
| Non-current Assets | | |
| Financial assets - Deposits | 3.66 | 4.08 |
| Current Assets | | |
| (i) Trade receivables | 4.62 | 1.83 |
| (ii) Cash and cash equivalents | 21.79 | 1.02 |
| (iii) Bank balances other than (ii) above | 169.92 | 33.48 |
| (iv) Others | 15.56 | 49.63 |
| Current Liabilities | | |
| (i) Borrowings | 3,918.62 | 3,918.62 |
| (ii) Trade payables | 25.38 | 34.36 |
| (iii) Other financial liabilities | 82.12 | 106.63 |

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.

| Rs. in lakhs | | |
|---------------|----------------|----------------|
| Particulars | March 31, 2022 | March 31, 2021 |
| Net debt | 3,918.62 | 3,918.62 |
| Equity | (2,913.89) | (2,308.75) |
| 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 Pvt. 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.Tribhuvan Simh Rathod - Chief Financial Officer

Mr. Viren Rathod - Managing Director

Mr.Nalinkant Amratlal Rathod - Chairman

Mr.Ravi Kiran -Compliance Officer and Company Secretary (Upto July 2021)

Mr.Bhaliya Dharmendrabhai Ramabhai-Compliance Officer and Company Secretary (from Aug 2021)

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 | 21-22 | 20-21 |
| i) Companies under Common control | | |
| <u>Bell Granito Ceramica Ltd</u> | | |
| a) Purchase of Materials | 47.02 | 130.54 |
| b) Sales | - | 31.20 |
| c) Sale of Capital work in progress | 182.30 | - |
| d) Rent paid | 0.02 | 0.02 |
| e) Receivables from BGCL | 169.49 | 33.27 |
| (ii) Key management Personnel (KMP) | | |
| <u>Mr. Tribhuvan Simh Rathod (Chief Financial Officer from May 2019)</u> | | |
| a) Remuneration | 2.40 | 2.40 |
| b) Gratuity Payable | 6.69 | 6.69 |
| <u>Mr. Subba Rao Maddula (Chief Financial Officer upto May 2019)</u> | | |
| a) Remuneration | - | - |
| b) Remuneration payable | - | 6.64 |
| <u>Ms. Bharati Rathod-Director</u> | | |
| Loan repaid during the year | - | 1.50 |
| Loan outstanding | 1,580.89 | 1,580.89 |
| <u>Ms. Shruti Rathod-Director</u> | | |
| Loans Paid during the year | - | 2.00 |
| Loan outstanding | 2,337.73 | 2,337.73 |
| <u>Mr. Bhaliya Dharmendrabhai Ramabhai-Compliance Officer and Company Secretary from Aug 2021</u> | | |
| a) Remuneration | 1.60 | 2.20 |
| b) Remuneration payable | - | - |

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

- (i) Solocare 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, 2022 | As at March 31, 2021 |
| | 0.00 | 0.00 |
| | Claims against the Company not acknowledged as debts | |
| | 2.01 | - |
| | Income Tax | |

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.

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.

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

37 Revenue from contract with customers

a) Disaggregated revenue information

| Rs. In lakhs | | |
|---|---------------|---------------|
| Particulars | March 31,2022 | March 31,2021 |
| Type of goods and service | | |
| a) Sale of products | | |
| - Virtrified Tiles | 59.34 | 147.37 |
| - Spares | - | - |
| b) Other operating revenues | | |
| - Others | - | 35.17 |
| Less: Rebates and discounts | - | - |
| Total revenue from contract with customers | 59.34 | 182.54 |
| India | 59.34 | 182.54 |
| Outside India | - | - |
| Total revenue from contract with customers | 59.34 | 182.54 |

| Timing of revenue recognition | | | | |
|---|--------------------|-----------------------|--------------------|-----------------------|
| Rs. In lakhs | | | | |
| Particulars | March 31,2022 | | March 31,2021 | |
| | 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 | 59.34 | - | 182.54 | - |
| Less: Rebates and discounts | - | - | - | - |
| Total revenue from contract with customers | 59.34 | - | 182.54 | - |

b) Contract balances

| Rs. In lakhs | | |
|--------------------|---------------|---------------|
| Particulars | March 31,2022 | March 31,2021 |
| Trade receivables | 4.62 | 1.83 |
| Refund Liabilities | 14.11 | 15.34 |

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 31,2022 | March 31,2021 |
| Revenue as per contracted price | 59.34 | 182.54 |
| Adjustments:- | | |
| Rebates and discounts | - | - |
| Revenue from contract with customers | 59.34 | 182.54 |

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, 2022 | As at March 31, 2021 |
|---------------------------|----------------------|----------------------|
| Cash and cash equivalents | 21.79 | 1.02 |
| Current borrowings | 3918.61577 | 3918.615771 |
| Net Debt | 3896.82577 | 3917.605771 |

| Particulars | Other assets | Liabilities from financing activities | | Total |
|-------------------------------|---------------|---------------------------------------|--------------------|-------------|
| | Cash and Bank | Non-current borrowing | Current borrowings | |
| Net debt as at March 31, 2021 | 1.02 | 0 | 391862% | 3917.595771 |
| Cash flows-net | 20.77 | 0 | 0% | -20.77 |
| Net debt as at March 31, 2022 | 21.79 | 0 | 391862% | 3896.825771 |

Restile Ceramics Limited

Notes annexed to and forming part of the Financial Statements

39 Ratios

| S.No | Particulars | Year Ended | | Variance % | Remarks |
|------|--|------------|------------|------------|-------------------------------------|
| | | 31.03.2022 | 31.03.2021 | | |
| 1 | Debt equity ratio Gross total borrowings (before deducting un-amortised loan raising expense) / (Equity share capital + Other equity) | (1.34) | (1.70) | -21% | |
| 2 | Debt service coverage ratio (Profit / (loss) before exceptional items and tax + Finance costs + Depreciation and amortisation expense – Tax expense) / (Interest paid + Lease payments + Principal repayments for long term borrowings) | - | - | 0% | |
| 3 | Current ratio (current asset / Current liabilities) | 3.23 | 1.63 | 98% | |
| 4 | Inventory turnover (Cost of goods sold / Average inventory) | 0.38 | 0.81 | -53% | |
| 5 | Net profit margin (%) (PAT / Revenue from operations) | -1020% | -367% | 178% | Decrease in revenue from operations |
| 6 | Return on Equity ratio (Profit after tax / Total equity) | 0.21 | 0.29 | -28% | |
| 7 | Trade receivables Turnover ratio (Revenue from operations / average Trade receivables) | 18.40 | 37.60 | -51% | |
| 8 | Trade Payables Turnover ratio (Cost of goods sold / Average Trade payables) | 1.93 | 5.00 | -61% | |
| 9 | Net capital Turnover ratio (Revenue from operations / Working capital) | 0.24 | 1.93 | -87% | |
| 10 | Return on Capital employed (EBIT / Working capital) | (2.48) | (7.08) | -65% | |
| 11 | Return on investment (Investment Income / average Investments) | - | - | 0% | |
| 12 | Operating Margin (%) (Earnings before Interest, Tax and Depreciation - Other income) / Revenue from operations | -96% | -54% | 78% | |

Restile Ceramics Limited
Notes to the financial statements

40 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:

| Particulars | Rs. In lakhs | |
|---|----------------------|----------------------|
| | As at March 31, 2022 | As at March 31, 2021 |
| Short term leases | - | - |
| Lease rental for low value asset | 0.24 | 0.24 |
| Lease commitments for short term leases | - | - |

41 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.

| 42 Particulars | Rs. In lakhs | |
|--|----------------------|----------------------|
| | As at March 31, 2022 | As at March 31, 2021 |
| (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 |

43 Disclosure on Going concern:

The issue of negative operating cash flows and incurrence 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.

44 The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year

45 The company did not had any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956,

46 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the certain provisions of the Code will come into effect and the rules thereunder has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

47 The Company has not accepted any deposit or amounts which are deemed to be deposits.

48 There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

49 The company has complied with the number of layers prescribed under the Companies Act, 2013 read with companies (restriction on number of layers) Rules, 2017.

50 No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. The company has complied with the number of layers prescribed under the Companies Act, 2013 read with companies (restriction on number of layers) Rules, 2017.

51 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

Mani
 Director
 DIN:02577983

TRIBHUVAN SIMH RATHOD
 Chief Financial Officer

Bhaliya Dharmendrabhai Ramabha
 Company Secretary

Place: Chennai
 Date: 21.5.2022

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

Ministry of Corporate Affairs ("MCA") notified new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below

Ind AS 16 – Property Plant and equipment - The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its financial statements.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets – The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material.

Statement of profit and loss:

Additional disclosures relating to Code of Social security, 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