

**RESTILE CERAMICS LIMITED**  
**TWENTY SIXTH ANNUAL REPORT**  
**2011-2012**

## TWENTY SIXTH ANNUAL REPORT

### BOARD OF DIRECTORS

Shri Nalinkant Amratlal Rathod	-	Chairman
Shri Tribhuvan Simh Rathod	-	Managing Director
Shri K.Rajendra Prasad	-	Independent Director - Nominee APIDC
Shri. Seetharaman TR	-	Independent Director
Shri. Ramachandran N.S	-	Independent Director
Shri G.Padmanabhan	-	Independent Director
Shri N Gopaia Krishnan	-	Independent Director
Shri N S Mani	-	Independent Director

### REGISTERED OFFICE & FACTORY LOCATION

Malkapur Village,  
Hatnoora Mandal  
Narsapur Taluk,  
Medak District-502 296  
**Andhra Pradesh**

### ADMINISTRATIVE OFFICE

Door No.1-10-177, 5<sup>th</sup> Floor,  
Varun Towers  
Begumpet,  
Hyderabad – 500 016

### AUDITORS

**M.S.Krishnaswami & Rajan**  
Chartered Accountants  
10, Sambasivam Street,  
T Nagar, Chennai-600017

### BANKERS

**State Bank of India**  
Industrial Finance Branch  
Somajiguda  
Hyderabad - 500 082

**HDFC Bank Limited**  
Begumpet Branch,  
Begumpet, Hyderabad – 500 003

**HDFC Bank Limited,**  
Lakdikapool Branch,  
Lakdikapool, Hyderabad – 500 004

**State Bank of India,**  
Sanga Reddy Branch,  
Sanga Reddy, Medak – 502 001

### REGISTER AND SHARE TRANSFER AGENTS

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

## NOTICE TO MEMBERS

**NOTICE** is hereby given that the Twenty Sixth Annual General Meeting of the Members of the Company will be held at Malkapur Village, Hatnoora Mandal, Narsapur Taluk, Medak District-502 296 on Friday, the 21st day of September, 2012 at 11.30 a.m. to transact the following business;

1. To receive, consider and adopt the Directors' Report, Audited Balance Sheet as at 31<sup>st</sup> March, 2012, the Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2012, together with the Auditors' Report for the year ended 31.3.2012
2. To appoint a Director in the place of Shri. N S Ramachandran who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in the place of Shri. T. R. Seetharaman who retires by rotation and is eligible for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the Conclusion of the next Annual General Meeting and fix their remuneration.

By Order of the Board of Directors

Tribhuvan Simh Rathod  
Managing Director

Place: Chennai  
Date: May 29, 2012

## NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The proxy form in order to be effective should however be duly stamped, signed and deposited at the registered office of the company not less than 48 hours before the commencement of the meeting.
2. Members/proxies are requested to bring their copies of Annual Report and the attendance slip duly filled in for attending the meeting. Copies of the Annual Reports will not be provided at the meeting.
3. The Register of Members and Share Transfer Books will remain closed from September 15, 2012 to September 21, 2012 (inclusive of both days).
4. Members are requested to notify any change in their addresses to the Company's Share and Depository Transfer Agents. Members holding shares in physical form are requested to convert their holdings into Demat. The Company's Id with CDS (I) L and NSDL is JNE298E01022. The Company's Registrar and Share Transfer Agents are M/S.CAMEO CORPORATE SERVICES LIMITED, "SubramanianBuilding"1, Club House Road, Chennai 600002.
5. 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.

6. The shares of the Company are listed with Mumbai Stock Exchange. The Listing Fee for the year 2011-2012 has been paid to Stock Exchange.
7. Brief Resume of the Directors seeking reappointment and other details as stipulated under Clause 49 of the Listing Agreement, are provided as part of the Report on Corporate Governance.
8. Shareholders holding shares physical form are invited to contribute to the cause of Green Initiative by registering their e-mail ID, by submitting the E-Communication Registration Form inserted in the Annual Report.

**By Order of the Board of Directors**

**Tribhuvan Simh Rathod**  
**Managing Director**

Place: Chennai  
Date: May 29, 2012

## **DIRECTORS' REPORT**

### **To the Members:**

The Directors have pleasure in presenting the 26th Annual Report of the Company together with Audited Statement of Accounts for the year ended March 31, 2012.

### **FINANCIAL RESULTS**

PARTICULARS	(RS.IN LAKHS)	
	2011-2012	2010-2011
Gross Sales	2404.31	3163.14
Other Income	90.04	44.28
EBITDA	(616.93)	(898.84)
interest and Financial charges	106.44	91.49
Depreciation	573.95	563.38
Profit/(Loss) before taxes	(1297.32)	(1553.71)
Amortization	50.25	119.30
Profit / (Loss) before tax	(1347.57)	(1673.01)
Provision for taxes	-	1.20
Profit / (Loss) carried to Balance Sheet	(1347.57)	(1671.81)

The Operational performance of the Company is discussed in detail under Management Analysis and Discussion Report

### **Fixed Deposits:**

The Company has not accepted any fixed deposits from the public within the meaning of section 58A of the Companies Act, 1956.

**Energy conservation, Technology Absorption and Foreign Exchange Earnings and Outgo**

Particulars pursuant to the provisions of section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosures of Particulars in the report of Board of Directors) Rules, 1988 are given in the Annexure to this Directors report.

**Directors :**

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the company, Mr. N S Ramachandran and Mr. T R Seetharaman, Directors, retire by rotation and being eligible have offered themselves for reappointment.

**Directors' Responsibility Statement :**

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors of the Company state:-

- a. that in the preparation of the accounts for the financial year ended 31<sup>st</sup> March 2012, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- b. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 and of the loss of the Company for the year under review.
- c. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d. that the Directors have prepared the accounts for the financial year ended 31<sup>st</sup> March 2012 on a 'going concern basis'.

**Auditors and Audit Report**

The Statutory Auditors M/s M.S Krishnaswami & Rajan, Chartered Accountants, Chennai, retire at the forthcoming Annual General Meeting and are eligible for reappointment.

Your company has received intimation to the effect that, proposed re-appointment, if made would be with in the prescribed limit under Section 224(1B) of the Companies Act 1956 and also in compliance with the requirements of the Listing Agreement regarding Peer Review. They have also confirmed their willingness to accept office, if re-appointed. The Board and Audit Committee recommend the re-appointment of M/s M.S Krishnaswami & Rajan, Chartered Accountants, Chennai, (FRN.01554S) as Statutory Auditors to hold office till conclusion of Next Annual General Meeting.

The Members are requested to re-appoint M.S Krishnaswami & Rajan, Chartered Accountants, Chennai (FRN.01544S) as Statutory Auditors of the Company to hold office until the conclusion of the next Annual General Meeting of the Company and authorize the Board of Directors to fix their remuneration.

The Company has well established system of Internal Audit which carries out audit on Risk Management frame work which covers the entire gamut of financial, marketing, plant operations and other service functions

Regarding the comments of Auditors in their report, the Directors wish to state:

- (i) The company had during the finalization of rehabilitation scheme by BIFR in 2002, effected a capital reduction aggregating Rs 754.44 lakhs and since that date the same has been held as a reserve primarily to finalize the erosion in net worth for adjustment. The company would be approaching BIFR for its approval to utilize this reserve for identified impairment in fixed assets. Consequently it has been thought fit not to recognize this impairment in fixed assets aggregating Rs 642.04 lakhs in the Statement of Profit and Loss and instead approach BIFR to utilize the reserves as explained above. The application to BIFR for this purpose would be filed shortly.
- (ii) Steps are being initiated to update the fixed asset register now that the evaluation of impairment is complete. Similarly steps to improve internal audit function is also being initiated.
- (iii) Regarding arrears of Statutory dues including provident fund, Sales Tax etc aggregating Rs.34.98 Lakhs, a major portion has since been paid and balance will remitted in due course.
- (iv) The creation of charge in respect of the Deep Discount Bonds will be completed expeditiously

#### **Information for Shareholders:**

Additional information pertaining to shareholders like Equity History, Shareholding Pattern, Price Movement in Stock Exchange, Corporate communication etc, is provided in this Annual Report.

#### **Corporate Governance:**

Pursuant to the provisions of the Listing Agreement with the Stock Exchange the report on Management Discussion and Analysis, Corporate Governance together with the Auditors' Certificate on the compliance of the conditions of Corporate Governance form part of the Annual Report

#### **Particulars of Employees and Industrial Relations:**

The information as required under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is NIL.

The Industrial relations with employees during the financial year was cordial. However subsequent to the end of the year, due to compulsory power shut down in Andhra Pradesh the company has announced lay off. Subsequent to the lay off workers have resorted to indiscipline and were stopping all dispatches from the Company. This had lead the management of the Company to declare lockout. However, discussions are continued to restart the company.

**Acknowledgements:**

Your Directors place on record their deep appreciation of the continued co-operation and support extended by financial institutions, bankers, suppliers, dealers, C & F Agents, customers, employees and various State and Central Government Agencies. The Directors also taken this opportunity to thank the shareholders for their continued confidence reposed in the Management of the Company.

For and on behalf of the Board of Directors

Nalinkant Amratlal Rathod  
Chairman

PLACE: Chennai  
DATE: May 29, 2012.

**ANNEXURE TO THE DIRECTORS REPORT**

Information under Section 217(1)(e) of the Companies Act 1956 read with the Companies (Disclosures of Particulars in the report of Board of Directors) Rules, 1988 and forming part of Directors Report.

**A. Energy Conservation :****Power :**

The Company is continuously putting efforts to conserve energy consumption, during the year; the dependence on DG Power has been minimized.

**Fuel:**

During the year, the processing cycle time was brought down leading to saving in LPG consumption. In order to further optimize the fuel consumption, Company has installed a second fuel storage system, suitable for storing both LPG and Propane.

**FORM A (As per Rule 2)**

Form for Disclosure of Particulars with Respect to Conservation of Energy

<b>ELECTRICITY</b>	<b>2011-2012</b>	<b>2010-2011</b>
Purchase Units (KWH)	3998569	5989289
Total Amount (Rs.in Lakhs)	189.90	240.07
Average Rate per unit (Rs./Kwh)	4.74	4.00
<b>LPG</b>		
Quantity (Tonnes)	1400.00	2771.00
Total cost (Rs.Lakhs)	688.50	1116.43
Average rate (Rs.Lakhs/Tonne)	0.49	0.40
<b>CONSUMPTION PER UNIT (Sq.Mtr) OF PRODUCTION</b>		
Electricity (Kwh)	8.97	7.75
LPG (Tonnes)	0.0031	0.0036

**FORM B (As per Rule 2)****B. Disclosure of Particulars with Respect to Technology Absorption, Research and Development****NEW DEVELOPMENT****New Raw materials:**

Continuous trials have been made and new/alternate raw materials have been introduced to improve the green strength and maturity of the body leading to higher production yield and lower cost.

During the year 2011-2012 special emphasis and thrust has been given in the areas of cost reduction, quality improvement & new product development.

**Cost Reduction:** As a part of cost reduction drive the R&D has done the following activities.

- a) Introduction of new chemicals to reduce Green & Dry tiles losses.
- b) Introduction of special grades Raw Materials and New sources of better quality materials to improve the brightness & clarity of the body.
- c) Introduction of Special Bonding agent.

**Quality improvement:**

- a. Improved sorting methods and system to get higher yields and better quality.
- B. Introduction of ISO 9000 Quality Management System is under progress to reduce the losses and improve the working system.

All the above efforts have led to improved efficiencies, enhanced product range and production of consistent quality products.

To carry out the R&D activity to reduce energy consumption and to lower cost of production.

C. Foreign Exchange Earnings and Outgo:	2011-12 (Rs in lakhs)	2010-11 (Rs.Lakhs)
Foreign Exchange Earnings :	70.97	142.36
Foreign Exchange out go :	103.47	156.86

By Order of the Board of Directors

PLACE: Chennai  
DATE: May 29, 2012

Nalinkant Amratlal Rathod  
Chairman



## MANAGEMENT DISCUSSION AND ANALYSIS

### INDUSTRY STRUCTURE AND DEVELOPMENTS:

Year 2011-2012 showed improvement in market demand due to growth in realty sector and also boom in general construction activity in retail segments. There is improvement in economic conditions domestically and there is optimism that Infrastructure and construction sectors would grow at steady pace.

Restile Ceramics Ltd, pioneer in vitrified tiles and in the business of flooring tiles since 1986 holds excellent reputation in the Industry as high quality producer, employs the best practices and highest quality standards in the industry and works constantly on quality up-gradation. The company is known for introducing innovative product range in frequent intervals.

Restile is the only brand in Indian market to make 100% of its production as full body vitrified tile. The fierce competition is affecting the quality standards of the industry in general, but at RESTILE quality comes first, the stand vindicated by the repeat purchases from country's corporate customers.

Restile was launched as manufacturers for Fully Vitrified Unglazed and Polished Monolithic floor tiles in smooth, rough as well as Mirror Polished finishes and commenced commercial production during 1991 with an installed capacity of 2,700,000 Sq.mtrs. per annum.

The company is continuously striving to source new materials to enable cost reduction as well bring in improvement in quality aspects.

### MANAGEMENT DISCUSSION AND ANALYSIS OF OPERATING RESULTS AND FINANCIAL PERFORMANCE:-

#### RESULTS OF OPERATIONS FOR THE YEAR ENDED MARCH 31, 2012

##### Sales:

Net Sales clocked for the year were Rs 2180.64 Lacs as against Rs.2,871.45 Lacs for the previous year and other income for the year stands at Rs 90.04 Lacs as against Rs.44.28 Lacs for the previous year.

##### Production:

Production during the year was 4.46 Lakhs Sq. mtrs, lower by 39.32% than the production during previous year.

##### Expenditure:

There has been decrease in expenditure in the year 2011-2012 compared to previous year. Out of Total Expenditure Cost of Materials consumed were Rs.414.84 Lacs compared to Rs.943.48 Lacs in the previous year. Purchases account for Rs.45.68 Lacs in the current year compared to Rs.140.95 in the previous year. Movement in Inventories account for Rs.406.48 Lacs decrease in current year as against Rs.261.93 Lacs increase in previous Year. Employee Benefits, Depreciation, other Expenses and exceptional Items account for Rs.2,644.81 Lacs as against Rs.3,674.75 Lacs in the previous year. There is also recognition of Rs.41.21 Lacs towards Bad and Doubtful debts written off.

**Interest and Financial charges:**

An amount of Rs.106.44 Lacs was incurred towards Interest and Financial Charges in the year 2011-12 against Rs.91.49 Lacs in the previous year.

**Net Loss:-**

The Company recorded a net loss of Rs.1,347.57 Lacs during the year on account of decrease in production and decrease in average selling prices.

**Internal Control Systems and their adequacy:**

Internal controls and its effectiveness are being reviewed through the internal audit process. The company has adequate internal controls and Management reviews periodically to the changed requirements. Moreover, Independent Internal Auditor conducts Periodical Audit and submits the Audit Report to the Audit Committee. Audit committee consisting of Independent Directors review the operations in terms of internal controls and their adequacy to the changing requirements.

**Opportunities:**

Restile has increased the manufacturing capacity by installing state of the art and cost effective production equipment. The Construction and housing boom to provide bolstering demand for ceramic tiles and the untapped rural market supported by a strong growth witnessed by Indian agriculture provides for good potential for the domestic ceramics manufacturers.

**Threats:**

Since the vitrified market enjoys consistent growth and assured returns, companies in the organized and unorganized sector are expected to come up with the latest technology, which may result in pressure on the realizations. However the uniqueness of our product will help us in garnering the Project and industrial tiles 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.

**Outlook:**

In the present competitive market also the Company enjoys a brand image for its products. The Company also expects to stabilize its production and reach optimum capacity utilization during the year 2012-2013 by concentrating on Industrial tiles which has better realisation. Continuing R&D activity in the areas of new product development, quality improvement, optimization of product mix and cost reduction will benefit the Company in improved market share and profitability.

**Human Resources and Industrial Relations:**

During the financial year 2011-12, the employee and employer relationship has been fairly cordial. The company considers the quality human power as an important asset and it endeavors to recruit best possible talent and to groom it to meet its needs.

However subsequent to the year 2011-12, due to compulsory power shut down in Andhra Pradesh the company had announced lay off as the industry is a continuous manufacturing process industry. subsequent to the lay off workers have resorted to indiscipline and were stopping the dispatches from the Company of whatever the materials had already been produced. This had lead the management of the Company to declare lockout. Subsequently, discussions are on to restart the company.

**Cautionary Statement:**

Statements in the management discussion and analysis describing the Company's objectives, projections, estimates, expectations may be considered to be 'forward looking statements' within the applicable securities laws and regulations. As "forward looking statements' are based on certain assumptions and expectations of future events over which the company exercise no control, the Company cannot guarantee their accuracy nor can it warrant the same will be realized by the Company. Actual results could differ materially from those expressed or implied. Significant factors which could make a significant difference to the Company's operations include domestic and international economic conditions affecting demand, supply, market prices, input component costs and availability, changes in government regulations and tax laws besides other factors such as litigation, over which the Company may not have any control.

Senior Management makes discussions to the Board relating to all material, financial and commercial transactions, whether they have personal interest that may have a potential conflict with the interest of the company.

**REPORT ON CORPORATE GOVERNANCE**

In compliance with Clause 49 of the Listing Agreement with Stock Exchanges the Company submits the report on the matters mentioned in the said Clause and practice followed by the Company:

**PHILOSOPHY ON CORPORATE GOVERNANCE**

Corporate Governance gives much emphasis on internal system encompassing policies, processes and people which serves the needs of Shareholders and stakeholders, by directing and controlling management activities with goods business objectivity, accountability and integrity. Sound Corporate Governance is mainly reliant on external marketplace commitment and legislation, healthy board culture which safeguards policies and processes. The Company attaches much importance to good Corporate Governance and the code of governance as formulated by the Stock Exchange/SEBI and other authorities.

It is the endeavor of the Board of Directors that the Company is governed so as to maximize the benefits of all Shareholders and stakeholders and others. The Company has been implementing the clauses of Corporate Governance as amended from time to time.

**BOARD OF DIRECTORS:**

- a) As on 31<sup>st</sup> March 2012, the Company has Eight Directors with a Non-Executive chairman. Out of the Eight Directors, Seven are Non-Executive Directors with Six of them being independent Directors including a Nominee Director. The non-executive directors possess rich and varied experience in different facets of corporate functioning. They play active role in the meetings of the Board. The Board formulates policy decisions so as to lead and control the Company.
- b) During the year under review, Four (4) meetings of the Board of Directors were held. The time gap between any two Board Meetings has not exceeded four months.
- c) The Names and Categories of the Directors on the Board, their attendance at Board Meetings held during the Financial Year 2011-2012 and at the last Annual General Meeting, and also the number of Directorships and Committee positions held by them in other public limited companies as on March 31, 2012 are given below:

Name	Category	Number of Board Meetings attended	Whether attended AGM held on 24.09.2011	No. of Directorships in other Companies	No. of committee Positions held in other Public limited Companies	
					Chairman	Member
Nalinkant Amratlal Rathod	Promoter Chairman & Non Executive Director	3	No	1	-	-
Tribhuvan Simh Rathod	Managing Director	4	Yes	1	-	-
K.Rajendra Prasad (APIDC-Nominee)	Nominee Director (APIDC)	1	No	3	-	-
N.S.Ramachandran	Independent Non Executive-Director	3	Yes	-	-	-
Seetaraman T.R	Independent Non Executive-Director	2	No	-	-	-
G. Padmanabhan	Independent Non Executive-Director	3	No	-	-	-
N.S. Mani	Independent Non Executive-Director	4	Yes	2	-	-
N. Gopala Krishnan	Independent Non Executive-Director	4	Yes	-	-	-

- (i) Four (4) Board Meetings were held during the year 2011-2012 and the gap between 2 meetings did not exceed 4 months. The dates on which, the Board Meetings held were 15<sup>th</sup> May 2011, 13<sup>th</sup> August 2011, 3<sup>rd</sup> November 2011 and 27<sup>th</sup> January 2012.
- (ii) Apart from receiving the sitting fees, Independent Non-Executive Directors do not have any other material pecuniary relationship or transactions with the Company, its promoters or its Management, which in the opinion of the Board may affect the independent judgment of the Director.
- (iii) Necessary information as specified in Annexure 1A to Clause 49 of the Listing Agreement has been placed before the Board of Directors for their consideration.

#### Committees of the Board :

The Committees constituted by the Board of Directors of the Company are as under;

##### a. Audit Committee

- The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreements with the Stock Exchange and oversees the accounting and financial reporting process of the company, the performance of the Internal Auditor, recommending the appointment and remuneration of the statutory auditors and the safeguards employed by them.
- The Audit Committee comprises of Five members in the Audit Committee, consisting of Independent Non-Executive Directors. All the members of the Committee have the relevant experience in the field of finance and accounting.

3. Chairman of the Audit Committee is an Independent Director and he was present for the Annual General Meeting held on 24.09.2011.
4. Audit Committee meetings are attended by invitation, by the Statutory Auditors, Internal Auditor, Managing Director and Finance head of the Company.
5. The Company Secretary acts as the Secretary to the Audit Committee.

**Meeting of Audit Committee:**

The Audit Committee met four times during the financial year 2011-2012 i.e on 15<sup>th</sup> May 2011, 13<sup>th</sup> August 2011, 3<sup>rd</sup> November 2011 and 27<sup>th</sup> January 2012. The attendance record of the Audit Committee members is given below:

Name of the Member	No. of Meetings held	Attended
Shri.T.R.Seetaraman	4	2
Shri N.S.Ramachandran - Chairman	4	3
Shri.G.Padmanabhan	4	3
Shri N Gopala Krishnan	4	4
Shri N S Mani	4	4

**Role of the Audit Committee**

The role of Audit Committee includes the following:

- Review financial statements, internal controls, accounting policies and internal audit. The quarterly financial results are placed before the audit committee for its review, suggestions and recommendations, before submitting the same to the Board for approval.
- The internal audit plans are drawn in consultation with the Managing Director, Heads of departments and the audit committee. The committee reviews the internal auditors report periodically. The committee also tracks the implementation of its guidelines/suggestions through review of action taken reports. A statement in summary form of transactions with related parties in the ordinary course of business is placed periodically before the committee apart from details of material individual transactions with the related parties.
- The company had during the finalization of rehabilitation scheme by BIFR in 2002, effected a capital reduction aggregating Rs 754.44 lakhs and since that date the same has been held as a reserve primarily to finalize the erosion in net worth for adjustment. The company would be approaching BIFR for its approval to utilize this reserve for identified impairment in fixed assets. Consequently it has been thought fit not to recognize this impairment in fixed assets aggregating Rs 642.04 lakhs in the Statement of Profit and Loss and instead approach BIFR to utilize the reserves as explained above. The application to BIFR for this purpose would be filed shortly.

**Remuneration Committee:-**

- The Remuneration Committee is constituted as per the requirements of the Listing Agreement and in terms of Schedule XIII of the Companies Act, 1956.
- The committee comprises of Sri N S Ramachandran, Sri.T R Seetharaman, Sri.G Padmanabhan all non executive Independent Directors. Sri. N S Ramachandran is the Chairman of the Committee.
- During the year there were no changes in the terms and conditions with regard to remuneration payable to Executive Directors and hence no meeting was conducted.
- The broad terms of reference of the remuneration committee are to approve/recommend to the Board the salary (including annual increments) perquisites and commission including pension rights and any compensation payment to be paid to the Company's Managing/Whole-Time Directors.

**Remuneration policy:**

The Company while deciding the remuneration package of the management takes into consideration the employment scenario, remuneration package of the industry, financial performance of the company and talents of the appointee. The Non Executive Independent directors are not paid any remuneration for attending Board/committee meetings other than sitting fees.

**Remuneration of Directors :**

The non-executive directors do not receive any remuneration from the Company. They are paid Sitting Fee for attending the meetings of the Board and Committee Meetings. There is no pecuniary relationship or transactions between non-executive Directors and the Company.

Remuneration to Mr Tribhuvan Simh Rathod, Managing Director	Rs.Lacs
Salary and Perquisites	30.69

The Company has no scheme for Stock option. There is no separate provision For payment of severance fees to the Managing Director.

**Shareholders'/ Investors' Grievance committee:**

The Shareholders'/Investors' Grievance Committee has the required powers to carry out the handling of shareholders'/investors' grievances. The Board had delegated the authority to approve transfer of shares to Shareholders'/ Investors' Grievance Committee.

- i. The Chairman of the Committee Sri. N S Ramachandran is an independent non-executive Director
- ii. The composition of the Committee consists of non executive independent directors  
Shri.N.S.Ramachandran, Shri.T.R.Seetaraman, and Shri G. Padmanabhan.
- iii. The Committee met 20 times during the year.
- iv. Sri.N Srinivasan is the Compliance officer.

The meetings of the Committee are held at frequent intervals to approve transfers, transmissions, issue of duplicate shares and resolving investors' grievances, etc.

During the year no investor grievance has been received. The company has replied through the DP agent in respect complaint received in the earlier year. The minutes of the Share Transfer and Investors' Grievances Committee meetings are placed before the Board for its noting on a regular basis.

#### Details of 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	Special Resolution
2009	Registered Office the Company at Malkapur Village, Hatnoora Mandal, Narsapur Taluq, Medak Dist, A.P	September 29, 2009	Tuesday	11.00 A.M	0
2010	Registered Office the Company at Malkapur Village, Hatnoora Mandal, Narsapur Taluq, Medak Dist, A.P	September 25, 2010	Saturday	11.30 A.M	1
2011	Registered Office the Company at Malkapur Village, Hatnoora Mandal, Narsapur Taluq, Medak Dist, A.P	September 24, 2011	Saturday	11.30 A.M	0

There were no resolutions in the last AGM that were put through postal ballot.

#### Risk Assessment and Minimization Procedure :

The Company has laid down procedures to inform Board of Directors about the Risk assessment and minimization procedures. These Procedures are reviewed by the Board of Directors periodically.

The Board of Directors of the Company is continuously briefed, by the Chairman and Managing Directors, with the developments and performance of the Company so as to enable them to monitor the same at regular intervals. Reports on risk assessment and minimization process and new initiatives proposed by the Company are also presented to them for suggestions and up gradation.

#### Disclosures

##### a. Related Party Transactions

Details of materially significant related party transactions are listed in Note No.28.11 of Notes Financial Statements annexed. There were no transactions during the year with related parties that were prejudicial to the interests of the Company.

##### b. Compliances made by the Company

The Company has continued to comply with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters related to capital markets during the last three years; no penalties, strictures have been imposed on the Company by the Stock Exchanges, SEBI and other statutory authorities related to the above.

**c. Communication to Shareholders**

The quarterly and Annual Results are being published in the Business Standard and Andhra Bhoomi OR Financial Express and Andhra Prabha. Quarterly and Annual Financial Results of the Company are furnished to the Stock Exchange as per the requirements of the Listing Agreement.

**d. Code of Conduct**

The Restile Code of Conduct as adopted by the Board of Directors, is applicable to the Directors, both executive and non-executive and Senior Management team comprising of members of Management one level below the Executive Directors, including all functional heads.

A declaration by Managing Director affirming the compliance of the Code of Conduct of Board Members and senior management executives is also annexed separately at the end of this report.

**e. Whistle Blower Policy**

The Company promotes a favourable environment for employees to have an open access to the Audit Committee, respective Functional Heads, Head- HRD, Managing Director as well as Non-Executive Chairman so as to ensure ethical and fair conduct of the business of the Company and that no personnel has been denied access to the Audit Committee.

**Secretarial Audit**

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

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

**General Shareholder Information**

<b>Annual General Meeting</b>	Date	21st September 2012
	Time	11.30 A.M.
	Venue	Registered Office of the Company Malkapur Village, Hatnoora Mandal, Narsapur Taluq, Medak Dist, A.P.
<b>Company's Financial Year</b>		1 <sup>st</sup> April to 31 <sup>st</sup> March
<b>Date of Book Closure</b>		September 15 <sup>th</sup> 2012 to September 21 <sup>st</sup> 2012 (Inclusive of both days)
<b>Listing on Stock Exchange</b>		Bombay Stock Exchange Ltd
<b>ISIN No</b>		INE298E01022
<b>Stock Code</b>		515085
<b>Registrar and Share Transfer Agent</b>		M/s. Cameo Corporate Services Ltd, "Subramanian Building", 1 Club House Road, Chennai 600 002.



**Dematerialization of Shares:**

The Company's shares are traded compulsorily in dematerialized form. In this connection, the Company has already entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the Company's ID is INE 298E01022.

The members are requested to dematerialize their physical holding in view of various advantages of holding the shares in dematerialized form. As on 31<sup>st</sup> March 2012, 97669403 shares are under dematerialization, representing 99.38% of the paid up capital

Distribution of shareholding as on 31<sup>st</sup> March, 2012:

Holding of number of Shares or Debentures	Share/Debenture (Holders)		Shares/Debentures (Amount)	
	Number	%	Rs.	%
1 - 5000	23413	98.92	7548630	0.77
5001 - 10000	109	0.46	837930	0.09
10001 - 20000	66	0.28	934080	0.09
20001 - 30000	23	0.10	553890	0.06
30001 - 40000	8	0.03	284900	0.03
40001 - 50000	8	0.03	356320	0.03
50001 - 100000	10	0.05	724780	0.07
100001 - Above	31	0.13	971551860	98.86
Total	23668	100.00	982792390	100.00

a) **Market Price Movement** : The details of monthly high and low market price of equity shares at the stock exchange, Mumbai are as given below:

Month	Highest (Rs.)	Lowest (Rs.)	Month	Highest (Rs.)	Lowest (Rs.)
April '11	11.39	9.54	October '11	12.50	11.55
May '11	13.62	8.70	November '11	12.20	10.41
June '11	10.70	7.80	December '11	10.41	6.62
July '11	8.00	6.40	January '12	6.29	4.25
August '11	7.40	6.20	February '12	5.54	4.76
September '11	12.89	6.00	March '12	7.28	5.27

**SHAREHOLDING PATTERN AS ON 31<sup>ST</sup> MARCH 2012**

Sl.No	Category	No. of shares	% of shareholding
1	Promoters	71115908	72.36
2	Mutual funds and UTI	119300	0.14
3	Banks, Financial Institution, Insurance companies	40	0.00
4	Private Corporate Bodies	1015057	1.03
5	Indian Public	6024618	6.13
6	NRIs/OCBs	20004306	20.35
7.	Clearing Members	10	0.00
	<b>Total</b>	<b>98279239</b>	<b>100.00</b>

Outstanding ADRs/GDRs/Warrants or any convertible instruments, conversion date and likely impact on equity: Not Applicable

Details of Shares of the Company held by the Directors as on March 31, 2012 are as below:

Name	Designation	No. of Shares
Nalinkant Amratlal Rathod	Non Executive Chairman	8126383
Tribhuvan Simh Rathod	Managing Director	Nil
N S Ramachandran	Non Executive Director	Nil
G Padmanabhan	Non Executive Director	Nil
T R Seetharaman	Non Executive Director	Nil
N S Mani	Non Executive Director	Nil
N Gopala Krishnan	Non Executive Director	Nil
K Rajendra Prasad	Nominee Director	Nil

**Nomination Facility for Shareholding**

Shareholders holding shares in physical form and desirous of making a nomination in respect of their shareholding in the company as permitted under section 109A of the Companies Act, 1956 are requested to submit to the company the prescribed form 2B for this purpose.

**Company's Policy on prevention of Insider Trading**

Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended, the company had framed a Code of Conduct for prevention of Insider trading. The code is applicable to all such employees of the company who are expected to have access to the unpublished price sensitive information relating to the company and the same is being implemented as a self regulatory mechanism.

Details of Directors seeking re-appointment at the forthcoming Annual General Meeting of the Company (Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange):

Name of the Director	Qualification	Expertise in specific functional areas	Age	List of Companies in which outside Directorships held as on 31.03.2012	Chairman / Member of the Committees of the Board of the Board of Other Companies in which he is a Director as on 31st March, 2012
Mr.N.S.Ramachandran	Chartered Accountant	Experience of 28 years post qualification in Finance and Accounts and worked in IOC,IBP,GEC of India Ltd,Hindustan Zinc Ltd, AP Gas power Corporation Ltd.	61 Years	-	-
Mr.T R Seetharaman	Chartered Accountant	Experience of 32 years post qualification in Finance and Accounts and worked in various MNCs in India and Abroad.	55 Years	-	-

#### Disclosures

There are no relationships between the Directors seeking Re-appointment and other directors inter-se as stipulated in Clause 49 (iv)(G)(ia) of the Listing agreement.

The Company has complied with all mandatory requirements as detailed above and also adopted the non-mandatory requirements as detailed below:

#### Compliance with Non-Mandatory Requirements:

1. The Board: A separate Office is not maintained for the Non-Executive Chairman of the Company. The Composition of the Board of Directors, Committees of the Board are in line with the provisions of the Listing Agreement, the Companies Act,1956 and other applicable laws.
2. Remuneration Committee:- The Board has setup a remuneration committee to determine on their behalf and on behalf of the shareholders with agreed terms of reference, the Company's policy on specific remuneration packages for Managing Director.
3. Shareholders' Rights: The Financial performance of the Company on quarterly basis including a summary of significant events are published in English and local Telugu Newspaper. Hence, these informations are not sent to each household of shareholders individually.
4. Audit Qualifications: The Company endeavors to adopt best practices to ensure regime of unqualified financial statements.
5. Mechanism for evaluating non-executive Board Members: Non-Executive Directors performance are evaluated by Chairman under authority from Board.
6. Whistle Blower Policy: The Company has adopted the Whistle Blower Policy.

**Our manufacturing unit is located at:**

Malkapur Village, Hatnoora Mandal, Narsapur Taluq, Medak Dist, A.P

**Our address for Correspondence:**

Malkapur Village, Hatnoora Mandal, Narsapur Taluk Medak District 502296 and email to: contact@restile.com by quoting their DP Id or Folio Number.

**DECLARATION BY THE MANAGING DIRECTOR UNDER CLAUSE 49 OF THE LISTING AGREEMENT REGARDING ADHERENCE TO THE CODE OF CONDUCT**

I hereby declare that all the Board members and Senior Management Personnel have affirmed compliance with the code of conduct adopted by the Company and have submitted declarations in this behalf for the year ended 31<sup>st</sup> March, 2012

May 29, 2012  
Chennai

Tribhuvan Simh Rathod  
Managing Director

**CERTIFICATE ON CORPORATE GOVERNANCE BY MANAGING DIRECTOR UNDER CLAUSE 49 OF THE LISTING AGREEMENT:**

I, Tribhuvan Simh Rathod, Managing Director of the Company, hereby certify that:

- a. I have reviewed the Financial Statements for the year 2011-12 prepared and to the best of my knowledge and belief;
  - (i) These statements do not contain any materially untrue statement or omit any material fact or Contain statements that might be misleading;
  - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations except as indicated elsewhere;
- b. To the best of my knowledge and belief, no transactions have been entered into by the company which are fraudulent, illegal or violative of the Company's code of conduct.
- c. I accept responsibility for establishing and maintaining internal controls and that I have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and I have disclosed to the auditors, audit committee, deficiencies in the design or operation of internal controls, if any of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- d. I have indicated to the Auditors and Audit Committee;
  - i) Significant changes in internal control during the year
  - ii) Significant changes in Accounting Policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii) Instances of significant fraud of which I have become aware and involvement therein if any, of the Management or employee having a significant role in the company's internal control system over Financial reporting.

May 29, 2012  
Chennai

Tribhuvan Simh Rathod  
Managing Director

**AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGE**

**To the Members of  
Restile Ceramics Limited**

1. We have examined the compliance with the conditions of Corporate Governance by **Restile Ceramics Limited** (the Company) for the year ended March 31, 2012 as stipulated in clause 49 of the listing agreement of the said company with a stock exchange in India, with the relevant records and documents maintained by the Company and furnished to us and the report on Corporate Governance as approved by the Board of Directors.
2. The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in clause 49 of the Listing Agreement) issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the said compliance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion, based on the aforesaid examination and according to the information and explanations given to us, we certify that the Company has complied with the said conditions of Corporate Governance as stipulated in the above mentioned listing agreement.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **M.S. Krishnaswami & Rajan**  
Chartered Accountants  
Registration No: 01554S

May 29, 2012  
Chennai

**M.S. Murali**  
Partner  
Membership No.26453

## AUDITORS REPORT

To the members of

### RESTILE CERAMICS LIMITED

- 1) We have audited the attached Balance Sheet of **RESTILE CERAMICS LIMITED** ('the Company') as at March 31, 2012, the Statement of Profit and Loss and the Cash Flow Statement together with the Notes to Financial Statements for the year ended on that date, annexed thereto (collectively referred to as the financial statements), signed by us under reference to this report. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2) We conducted our audit in accordance with auditing and assurance standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 4) Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:
  - a) we have 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 appears from our examination of those books.
  - c) the financial statements dealt with by this report are in agreement with the books of account.
  - d) in our opinion, the aforesaid financial statements comply in all material respects with the applicable Accounting Standards referred to in section 211(3C) of the Companies Act, 1956 (the Act) *except that there has been no recognition of impairment in value of Buildings (Rs.522.17 lakhs) and in the value of Plant & Machinery (Rs.119.87 lakhs) as required under Accounting Standard (AS) 28-Impairment of Assets.*
  - e) in our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements *subject to non- recognition of impairment in value of Buildings (Rs.522.17 lakhs) and in the value of Plant & Machinery (Rs.119.87 lakhs) as required under Accounting Standard (AS) 28-Impairment of Assets and its consequential impact on the loss carried forward*, give the information required by the Act, in the manner so required and also give a true and fair view, in conformity with the accounting principles generally accepted in India:

For M.S. Krishnaswami & Rajan  
Chartered Accountants  
Registration No. 01554S

**M.S. Murali-Partner**  
Membership No.26453

May 29, 2012  
Chennai

**(Referred to in paragraph 3 of our report of even date on the accounts for the year ended March 31, 2012 of Restile Ceramics Limited).**

As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Government of India in terms of section 227(4A) of the Companies Act, 1956, and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we report that:

1. (i) the company is maintaining records showing particulars including quantitative details and situation of fixed assets. *The same, however, needs to be updated.*
  - (ii) the fixed assets are being physically verified under a phased programme of verification, which, in our opinion, is reasonable having regard to the nature and value of its assets, and no material discrepancies have been noticed on such verification carried out during the year in terms of the phased programme.
  - (iii) the company has not disposed off substantial part of its fixed assets during the year.
2. (i) inventories have been physically verified during the year by the management at the year end.
  - (ii) the procedures of the said physical verification of the inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
  - (iii) the company is maintaining records of its inventories and discrepancies noticed on physical verification at the end of the year have been dealt with by adopting the stocks as verified.
3. the company has neither granted nor taken any loans, secured or unsecured, to / from companies, firms or other parties covered in the register maintained under section 301 of the Act
4. there is an adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets and for sale of goods and services. On the basis of our examination of the books and records of the company, we have neither come across nor have been informed, of any continuing failure to correct major weaknesses in the aforesaid internal control system.
5. In our opinion and to the best of our knowledge and belief the contracts or arrangements referred to in section 301 of the Act which need to be entered in the register maintained under the said section have been so entered. The transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. the company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and provisions of section 58A and 58AA or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 1975 apply.
7. Internal audit has been carried out by an independent Chartered Accountant. *We are informed, that the Internal Audit function is in the process of being strengthened and will, in the ensuing year, include operations audit as well.*
8. we have broadly reviewed the cost records maintained by the company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
9. (i) the company has been regular in depositing undisputed statutory dues towards investor education and protection fund, wealth tax, customs duty, and other material statutory dues as applicable with the appropriate authorities. *Delays were, however, noticed in depositing undisputed provident fund, employees' state insurance, income tax, sales tax, service tax, excise duty and cess with the appropriate authorities during the year. The arrears of such dues outstanding as at the end of the year for a period of more than six months from the*

date they became payable are – Provident fund Rs. 0.56 lakhs, sales tax Rs.29.60 lakhs, Tax collected/deducted at source-Rs.2.21 lakhs ; Property tax-Rs.2.49 lakhs and Professional tax-Rs.0.12 lakhs . We are informed that the delays were caused by unavoidable circumstances.

- (ii) there are no dues of income tax / wealth-tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute. Sales Tax dues not deposited on account of disputes are as under:

Name of the Statute	Nature of the dues	Forum where Dispute is Pending	Year to which the demand relates	Amount of Tax Demanded (Rs. Lakhs)
Sales Tax	APCST	Deputy Commissioner (CT) Appeals, Punjagutta Division, Hyderabad, Andhra Pradesh	2008 - 09	166.61

10. The company has accumulated losses as at March 31, 2012 and has incurred cash losses in the financial year ended on that date and in the immediately preceding financial year.
11. The company has not defaulted in repayment of dues to any financial institution, bank or debenture holders during the year.
12. The company has not granted loans and advances on the basis of security by way of Pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to a chit fund, nidhi or mutual benefit fund / societies are not applicable to the company.
14. The company is not dealing or trading in shares, securities, debentures and other investments. Accordingly the provisions of clause 4 (xiv) of the CARO are not applicable to the company.
15. No guarantees have been given during the year by the company, for loans taken by others from banks or financial institutions.
16. The term loans availed by the company were prima facie, applied for the purpose for which they were obtained.
17. On an overall examination of the financial statements of the company, funds raised on short-term basis have, prima facie, not been used for long-term investment.
18. The company has not made any preferential allotment of shares during the year to any party.
19. The company has not issued any debentures during the year and hence the question of creating a charge in respect thereof does not arise. *The creation of charge in respect of Deep Discount Bonds issued in an earlier year and outstanding, is in progress.*
20. The company has not raised any money by public issues during the year.
21. Considering the size and nature of the company's operations, no fraud of material significance on or by the company has been noticed or reported during the year.

For M.S. Krishnaswami & Rajan  
Chartered Accountants  
Registration No. 01554S

May 29, 2012  
Chennai

**M.S.Murali-Partner**  
Membership No.26453



## BALANCE SHEET AS AT 31 MARCH, 2012

		Rs. in Lakhs	
Particulars	Note No.	As at 31 March, 2012	As at 31 March, 2011
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	1	9,827.92	9,827.92
(b) Reserves and surplus	2	<u>(4,707.09)</u>	<u>(3,359.52)</u>
		5,120.83	6,468.40
<b>2 Non-current liabilities</b>			
(a) Long-term borrowings	3	1,730.83	1,731.37
(b) Deferred tax liabilities (net)	4	-	-
(c) Other long-term liabilities	5	100.03	101.53
(d) Long-term provisions	6	<u>57.42</u>	<u>72.65</u>
		1,888.28	1,905.55
<b>3 Current liabilities</b>			
(a) Short-term borrowings	7	524.52	606.44
(b) Trade payables	8	1,041.93	944.29
(c) Other current liabilities	9	475.33	473.95
(d) Short-term provisions	10	<u>26.97</u>	<u>13.49</u>
		<u>2,068.75</u>	<u>2,038.15</u>
<b>TOTAL</b>		<u>9,077.86</u>	<u>10,412.12</u>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	11	7,621.65	8,211.06
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		<u>196.13</u>	<u>196.14</u>
		7,817.78	8,407.20
(b) Non-current investments	12	-	-
(c) Long-term loans and advances	13	124.77	135.05
(d) Other non-current assets	14	<u>3.62</u>	<u>-</u>
		7,946.17	8,542.25
<b>2 Current assets</b>			
(a) Inventories	15	913.43	1,403.32
(b) Trade receivables	16	140.66	345.38
(c) Cash and cash equivalents	17	19.96	26.85
(d) Short-term loans and advances	18	57.64	44.07
(e) Other current assets	19	<u>-</u>	<u>50.25</u>
		<u>1,131.69</u>	<u>1,869.87</u>
<b>TOTAL</b>		<u>9,077.86</u>	<u>10,412.12</u>

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

Interms of our report of even date attached

For and on behalf of the Board of Directors

for **M.S.KRISHNASWAMI & RAJAN**

Chartered Accountants

Registration No. 01554S

**M.S.Murali**

Partner

Membership No:26453

Chennai

May 29, 2012

**Tribhuvan Simh Rathod**

Managing Director

**Seetharaman T R**

Director

**STATEMENT OF PROFIT AND LOSS**

Statement of Profit and Loss for the year ended 31 March, 2012

Rs. In Lakhs

Particulars	Note No.	For the year ended 31 March 2012	For the year ended 31 March 2011
<b>A CONTINUING OPERATIONS</b>			
<b>1</b> Revenue from operations - Sale of Vitrified Ceramic Tiles		2,404.31	3,163.14
Less: Excise duty		223.67	291.69
Revenue from operations		<u>2,180.64</u>	<u>2,871.45</u>
<b>2</b> Other income	20	90.04	44.28
<b>3 Total revenue (1+2)</b>		<u>2,270.68</u>	<u>2,915.73</u>
<b>4 Expenses</b>			
(a) Cost of materials consumed	21	414.84	943.48
(b) Purchases of stock-in-trade	22	45.68	140.95
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	406.48	(261.93)
(d) Employee benefits expense	24	550.41	630.92
(e) Finance costs	25	106.44	91.49
(f) Depreciation and amortisation expense	26	573.95	563.38
(g) Other expenses	27	1,463.35	2,446.05
<b>Total expenses</b>		<u>3,561.15</u>	<u>4,554.33</u>
<b>5 Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)</b>		(1,290.47)	(1,638.60)
<b>6</b> Exceptional items	28.8	57.10	34.41
<b>7 Profit / (Loss) before extraordinary items and tax (5 + 6)</b>		<u>(1,347.57)</u>	<u>(1,673.01)</u>
<b>8</b> Extraordinary items		-	-
<b>9 Profit / (Loss) before tax (7 + 8)</b>		<u>(1,347.57)</u>	<u>(1,673.01)</u>
<b>10 Tax expense:</b>			
(a) Current tax expense - Prior year		-	1.20
(b) Deferred tax		-	-
		<u>-</u>	<u>1.20</u>
<b>11 Profit / (Loss) from continuing operations (9 +10)</b>		<u>(1,347.57)</u>	<u>(1,671.81)</u>
<b>B DISCONTINUING OPERATIONS</b>			
<b>12</b> Profit / (Loss) from discontinuing operations (before and after tax)		-	-
<b>C TOTAL OPERATIONS</b>			
<b>13 Profit / (Loss) for the year (11 + 12)</b>		<u>(1,347.57)</u>	<u>(1,671.81)</u>
<b>14 Earnings per share (of Rs.10/- each) before and after Extraordinary item</b>		<u>-</u>	<u>-</u>
- Basic and Diluted from Continuing and Total operations. 28.12		(1.37)	(1.70)

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

Interms of our report of even date attached

For and on behalf of the Board of Directors

for **M.S.KRISHNASWAMI & RAJAN**

Chartered Accountants

Registration No. 01554S

**M.S.Murali**

Partner

Membership No:26453

Chennai

May 29, 2012

**Tribhuvan Simh Rathod**

Managing Director

**Seetharaman T R**

Director

**CASH FLOW STATEMENT FOR THE YEAR 2011 - 12**

	As at 31 March 2012	As at 31 March 2011	
<b>A. Cash flow from operating activities</b>			
Profit / (Loss) before tax	(1,347.57)	(1,673.01)	
<b>Adjustments for:</b>			
Depreciation and amortisation	573.95	563.38	
Amortisation of capital issue expenses and product development expenses	50.26	119.30	
Finance costs	106.44	91.49	
Unrealised exchange loss/(gain)	(0.02)	(0.44)	
Interest (income)	(6.44)	(14.08)	
Provision for doubtful trade and other receivables, loans and advances	<u>41.21</u>	<u>(52.03)</u>	
Operating profit / (loss) before working capital changes	(582.17)	(965.39)	
<i>Changes in working capital:</i>			
<i>Adjustments for (increase) / decrease in operating assets:</i>			
Inventories	489.88	(297.10)	
Trade receivables	163.55	900.85	
Short-term loans and advances	(13.09)	42.30	
Long-term loans and advances	10.27	67.74	
Other non-current assets	<u>(3.62)</u>	<u>-</u>	
	<u>647.00</u>	<u>713.79</u>	
<i>Adjustments for increase / (decrease) in operating liabilities:</i>			
Trade payables	97.65	278.20	
Other current liabilities	1.38	(107.35)	
Other long-term liabilities	(1.50)	(6.08)	
Short-term provisions	13.49	13.49	
Long-term provisions	<u>15.23</u>	<u>16.67</u>	
	<u>95.77</u>	<u>194.93</u>	908.73
Cash generated from operations	742.76	106.60	(56.66)
Net income tax (paid) / refunds	0.48	-	0.61
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>160.11</b>	<b>(56.05)</b>	
<b>B. Cash flow from investing activities</b>			
Capital expenditure on fixed assets	(1.72)	(63.92)	
Proceeds from sale of fixed assets	<u>17.19</u>	15.47	<u>37.24</u>
Interest received			
- Others	6.44	-	14.08
Net income tax (paid) / refunds	-	-	-
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>21.91</b>	<b>(12.59)</b>	

**C. Cash flow from financing activities**

Repayment of long-term borrowings	(0.54)		(2.24)	
Finance cost	<u>(106.44)</u>	(106.99)	<u>(91.49)</u>	(93.73)
<b>Net cash flow from / (used in) financing activities (C)</b>		<b>(106.99)</b>		<b>(93.73)</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		<b>75.04</b>		<b>(162.37)</b>
Cash and cash equivalents at the beginning of the year *		579.59		417.22
Cash and cash equivalents at the end of the year *		<u>504.55</u>		<u>579.59</u>
<b>Net increase / (decrease) in Cash and cash equivalents</b>		<b><u>(75.04)</u></b>		<b><u>162.37</u></b>

\* Refer Note No.7 and Note No.17

**Notes to the Statement:**

The Cash Flow Statement reflects the combined cash flows pertaining to Total operations of the Company.

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

Interms of our report of even date attached

For and on behalf of the Board of Directors

**for M.S.KRISHNASWAMI & RAJAN**

Chartered Accountants

Registration No. 01554S

**M.S.Murall**

Partner

Membership No:26453

Chennai

May 29, 2012

**Tribhuvan Simh Rathod**

Managing Director

**Seetharaman T R**

Director

## Notes Forming Part of the Financial Statements

**NOTE : 1 SHARE CAPITAL**

Particulars	As at March 2012 Rs. in lakhs	As at March 2011 Rs. in lakhs
(a) Authorised 100,000,000 (2011:100,000,000) Equity shares of Rs.10 each with voting rights	10,000.00	10,000.00
(b) Issued 98,279,239 Equity shares of Rs.10 each with voting rights	9,827.92	9,827.92
(c) Subscribed and fully paid up 98,279,239 Equity shares of Rs.10 each with voting rights	9,827.92	9,827.92
<b>Total</b>	<b>9,827.92</b>	<b>9,827.92</b>

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

	As at 31 March 2012		As at 31 March 2011	
	No of Equity Shares	Rs. in laksh	No of Equity Shares	Rs. in laksh
Balance at the Beginning	98,279,239	9,827.92	98,279,239	9,827.92
Balance at the end	98,279,239	9,827.92	98,279,239	9,827.92

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

Name of the Shareholder	No of Equity Shares of Rs.10 each held	
	2012	2011
1. Mr Nalinkant Amratlal Rathod	8,126,383	8,126,383
2. Solomed Pte Ltd	62,596,302	62,596,302
3. Capital Carriers Ltd	11,689,671	11,689,671

1.3 The Equity Shareholders are entitled to receive dividends as and when declared, a right to vote in proportion to holding etc and their rights, preferences and restrictions are governed by terms of their issue and the provisions of the Companies Act, 1956.

## Notes Forming Part of the Financial Statements

**NOTE 2: RESERVES AND SURPLUS**

Particulars	As at March 2012 Rs. in lakhs	As at March 2011 Rs. in lakhs
<b>(a) Capital Reserve</b>		
Opening balance	33.37	33.37
Add: Additions during the year	-	-
Less: Utilised / transferred during the year	-	-
Closing balance	33.37	33.37
<b>(b) Central Subsidy from Government of India</b>		
Opening balance	12.75	12.75
Add: Additions during the year	-	-
Less: Utilised during the year	-	-
Closing balance	12.75	12.75
<b>(c) Capital Reduction Reserve</b>		
Opening balance	754.44	754.44
Add: Additions / transfers during the year	-	-
Less: Utilisations / transfers during the year	-	-
Closing balance	754.44	754.44
<b>(d) Surplus / (Deficit) in Statement of Profit and Loss</b>		
Opening balance	(4,160.08)	(2,488.27)
Add: Profit / (Loss) for the year	(1,347.57)	(1,671.81)
Closing balance	(5,507.65)	(4,160.08)
<b>Total</b>	(4,707.09)	(3,359.52)

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

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

## Notes Forming Part of the Financial Statements

**NOTE 3: LONG TERM BORROWINGS**

Particulars	As at March 2012 Rs. in lakhs	As at March 2011 Rs. in lakhs
<b>Secured</b>		
(i) Deep Discount Bonds	1,730.83	1,730.83
(ii) Long Term maturities of Finance Lease obligations - To HDFC Ltd	-	0.54
<b>Total</b>	<b>1,730.83</b>	<b>1,731.37</b>

3.1: 537,527 Deep Discount Bonds of Rs.1000/- each were issued to Atreya Finance Pvt Ltd on March 30, 2009 at a discounted price of Rs.322. The said Bonds mature on March 31,2019 but both the parties have options to redeem/encash the same at an earlier date at predetermined discount rate or at a price to be agreed upon at the time of conversion after due written notice to the other party. Subsequent to the end of the previous year, the terms of these bonds have been renegotiated with the incremental price payable from April 1, 2013 instead of April 1,2010 as initially agreed upon. Since the bonds are redeemable at the issue price upto March 31,2012 no discount is recognised in the financial statements up to that date.

3.2 : The Deep Discount Bonds are secured by all movable and immovable assets of the Company other than current assets hypothecated to working capital bankers and 3rd floor premises in Varun Towers, Begumpet. The Charge is under creation.

3.3 : Finance lease obligations to HDFC Bank Limited is secured by hypothecation of related vehicle acquired. Details of minimum lease payments due are :

Sl No.	Particulars	March 31,2012	March 31,2011
(i)	Not later than one year	0.21	1.18
(ii)	Later than one year and not ater than five years.	-	0.54

Notes Forming Part of the Financial Statements

**NOTE 4 : DEFERRED TAX LIABILITIES (NET)**

Particulars	As at March 2012 Rs. in lakhs	As at March 2011 Rs. in lakhs
Composition of net deferred tax liability		
Deferred tax liabilities		
- Depreciation	581.97	499.63
- Other timing differences	-	-
	581.97	499.63
Deferred tax assets		
- Unabsorbed depreciation	581.97	499.63
	581.97	499.63

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

**NOTE 5 : OTHER LONG TERM LIABILITIES**

Particulars	As at March 2012 Rs. in lakhs	As at March 2011 Rs. in lakhs
(a) Trade Payables (including Acceptance)		
(i) Micro,small and Medium Enterprises (Refer Note. 28.14)	-	-
(ii) Others	-	-
(b) Others:		
Trade / security deposits received from dealers	100.03	101.53
<b>Total</b>	100.03	101.53

**NOTE 6 : OTHER LONG TERM PROVISIONS**

Particulars	As at March 2012 Rs. in lakhs	As at March 2011 Rs. in lakhs
Provision for employee benefits:		
(i) Provision for compensated absences	16.64	10.97
(ii) Provision for gratuity	40.78	61.68
<b>Total</b>	57.42	72.65



Notes Forming Part of the Financial Statements

**6.1 DETAILS OF PROVISIONS**

Sl No.	Particulars	Opening Rs.in Lakhs	Addition/ (Deletion) Rs.in Lakhs	Closing Rs.in Lakhs
(i)	Gratuity	61.68	(20.90)	40.78
(ii)	Encashable Leave Salary	10.97	5.67	16.64

**NOTE : 7 SHORT TERM BORROWINGS**

Particulars	As at March 2012 Rs. in lakhs	As at March 2011 Rs. in lakhs
Loans repayable on demand		
-From banks		
Secured	521.90	555.55
Unsecured	2.62	50.89
	524.52	606.44
- From other parties	-	-
Total	524.52	606.44

**7.1 DETAILS OF SECURITY FOR THE SECURED SHORT-TERM BORROWINGS:**

Particulars	Nature of Security	As at March 2012 Rs. in lakhs	As at March 2011 Rs. in lakhs
Loans repayable on demand from banks:			
Cash Credit -State Bank of India	Secured by all hypothecation of Stocks,Stores,spares and consumables, Receivables and equitable Mortgage of 3rd Floor Premises in Varun Towers Begumpet.	521.90	555.55
Total - from banks		521.90	555.55

7.2 Unsecured borrowing from bank represents temporary overdraft facility.

7.3 The above Loans are repayable on demand and carry interest of Prime Lending Rate(PLR) plus a rate of interest applicable to the company based on norms, which varies, depending upon "credit rating" by the lender and external agency.

## Notes Forming Part of the Financial Statements

**NOTE 8 : TRADE PAYABLES**

Particulars	As at March 2012 Rs. in lakhs	As at March 2011 Rs. in lakhs
Trade payables (including Acceptances)		
(i) Micro, Small and Medium enterprises [Refer Note. 28.14]	-	-
(ii) Others	1,041.93	944.29
<b>Total</b>	<b>1,041.93</b>	<b>944.29</b>

**NOTE 9 : OTHER CURRENT LIABILITIES**

Particulars	As at March 2012 Rs. in lakhs	As at March 2011 Rs. in lakhs
(a) Current maturities of finance lease obligations (Refer Note 3.3)	0.21	1.18
(b) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, Vat, Service Tax etc.)	249.75	192.55
(c) Payables on purchase of fixed assets	18.33	40.93
(d) Advances from customers	41.76	141.71
(e) Dues to employees	145.74	93.12
(f) Others	19.54	4.46
<b>Total</b>	<b>475.33</b>	<b>473.95</b>

**NOTE 10 : SHORT TERM PROVISIONS**

Particulars	As at March 2012 Rs. in lakhs	As at March 2011 Rs. in lakhs
(a) Provision for employee benefits:		
(i) Provision for compensated absences	26.97	13.49
(ii) Provision for gratuity	-	-
<b>Total</b>	<b>26.97</b>	<b>13.49</b>

**NOTE 10.1 : DETAILS OF PROVISIONS**

Particulars	Opening Rs. in lakhs	Addition / (Deletion) Rs. in lakhs	Closing Rs. in lakhs
(i) Gratuity	-	-	-
(ii) Encashable Leave Salary	13.49	13.48	26.97

## NOTES 11 : FIXED ASSETS

(Rs in lakhs)

Tangible Assets	GROSS BLOCK				Accumulated depreciation and impairment			Written down value	
	Balance as at 1 April 2011	Additions	Disposals	Balance as at 31 March 2012	Balance as at 1 April 2011	Depreciation / amortisation expenses for the year	Balance as at 31 March 2012	Balance as at 31 March 2012	Balance as at 31 March 2011
1. (a) Land									
Freehold	65.11	-	-	65.11	-	-	-	65.11	65.11
2. (b) Buildings									
Own use	1243.53	-	-	1243.53	194.97	40.69	235.66	1007.87	1048.56
3. (c) Plant and									
Equipment Owned	10021.50	-	17.19	10004.31	3015.96	518.55	3534.51	6469.80	7005.54
4. (d) Furniture and									
Fixtures Owned	68.27	-	-	68.27	31.01	4.32	35.33	32.94	37.26
5. (e) Vehicles									
Owned	33.39	-	-	33.39	19.20	3.17	22.37	11.02	14.19
Taken under finance lease	8.73	-	-	8.73	1.66	0.83	2.49	6.24	7.07
6. (f) Office equipment									
Owned	73.76	1.73	-	75.49	40.43	6.39	46.82	28.67	33.33
7. (h) Others									
Owned	4.40	-	-	4.40	4.40	-	4.40	-	-
<b>Total</b>	<b>11518.69</b>	<b>1.73</b>	<b>17.19</b>	<b>11503.23</b>	<b>3307.63</b>	<b>573.95</b>	<b>3881.58</b>	<b>7621.65</b>	<b>8211.06</b>
<b>Previous year</b>	<b>11067.23</b>	<b>488.71</b>	<b>37.25</b>	<b>11518.69</b>	<b>2744.25</b>	<b>563.38</b>	<b>3307.63</b>	<b>8211.06</b>	<b>8322.98</b>

## Notes Forming Part of the Financial Statements

**NOTE 12 : NON-CURRENT INVESTMENT**

Particulars	As at March 2012 Rs. in lakhs	As at March 2011 Rs. in lakhs
Trade - Investment in Unquoted equity shares of subsidiary 9,900 (As at 31 March, 2011: 9,900) shares of Rs.10 each fully paid up in Restile Marketing Private Ltd	0.99	0.99
Less: Provision for diminution in value of Investments	0.99	0.99
<b>Total</b>	<b>-</b>	<b>-</b>

12.1 Restile Marketing Private Limited is in the process of being wound up under section 560 of the Companies Act, 1956 (the Act.). Accordingly consolidated accounts and details under Section.212 of the Act, are not furnished.

**NOTE 13 : LONG TERM LOANS AND ADVANCES**

Particulars	As at March 2012 Rs. in lakhs	As at March 2011 Rs. in lakhs
(a) Capital advances		
Unsecured, considered good	-	10.05
(b) Security deposits (including Electricity Deposit)		
Unsecured, considered good	109.77	97.78
(c) Other loans and advances		
Unsecured, considered good		
AP VAT Appeal Deposit	15.00	27.22
<b>Total</b>	<b>124.77</b>	<b>135.05</b>

**NOTE 14 : OTHER NON CURRENT ASSETS**

Particulars	As at March 2012 Rs. in lakhs	As at March 2011 Rs. in lakhs
Accruals		
Interest accrued on deposits	3.62	-
<b>Total</b>	<b>3.62</b>	<b>-</b>

## Notes Forming Part of the Financial Statements

**NOTE 15 : INVENTORIES**

Particulars	As at March 2012 Rs. in lakhs	As at March 2011 Rs. in lakhs
(a) Raw materials	74.87	138.77
(b) Work-in-progress	10.17	39.40
(c) Finished goods	668.02	1,051.06
(d) Stores and spares	160.37	174.09
<b>Total</b>	<b>913.43</b>	<b>1,403.32</b>

**NOTE 16 : TRADE RECEIVABLES**

Particulars	As at March 2012 Rs. in lakhs	As at March 2011 Rs. in lakhs
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	64.23	105.53
Doubtful	41.21	-
	<u>105.44</u>	<u>105.53</u>
Less: Provision for doubtful trade receivables	41.21	-
	<u>64.23</u>	<u>105.53</u>
Other Trade receivables		
Unsecured, considered good	76.43	239.85
<b>Total</b>	<b>140.66</b>	<b>345.38</b>

**NOTE 17 : CASH AND CASH EQUIVALENTS**

Particulars	As at March 2012 Rs. in lakhs	As at March 2011 Rs. in lakhs
(a) Cash on hand	0.08	0.24
(c) Balances with banks		
(i) In current accounts	4.24	5.04
(ii) In deposit accounts	15.64	21.57
<b>Total</b>	<b>19.96</b>	<b>26.85</b>

17.1 Balances with banks in deposit accounts comprises margin monies which have an original maturity of less than twelve months.

## Notes Forming Part of the Financial Statements

**NOTE 18 : SHORT - TERM LOANS AND ADVANCES**

Particulars	As at March 2012 Rs. in lakhs	As at March 2011 Rs. in lakhs
(a) Loans and advances to employees		
Unsecured, considered good	1.61	1.47
(b) Balances with government authorities		
Unsecured, considered good		
(i) CENVAT credit receivable	0.95	12.74
(ii) VAT credit receivable	-	0.21
(iii) Service Tax credit receivable	<u>2.47</u>	<u>2.74</u>
	3.43	15.69
(c) Refund of income tax recoverable	17.66	18.03
(d) Others		
Unsecured, considered good - Advance to suppliers	<u>34.95</u>	<u>8.88</u>
<b>Total</b>	<u>57.64</u>	<u>44.07</u>

**NOTE 19 : OTHER CURRENT ASSETS**

Particulars	As at March 2012 Rs. in lakhs	As at March 2011 Rs. in lakhs
Unamortised expenses		
(i) Share issue expenses	-	27.34
(ii) Product Development Costs	-	22.91
<b>Total</b>	<u>-</u>	<u>50.25</u>

**NOTE 20 : OTHER INCOME**

Particulars	For the year ended 31st March 2012 Rs. in lakhs	For the year ended 31st March 2011 Rs. in lakhs
(a) Interest income	6.44	14.08
(b) Net gain on foreign currency transactions and translation	-	1.05
(c) Unclaimed balances written back ( Refer Note. 28.13)	<u>83.60</u>	<u>29.15</u>
<b>Total</b>	<u>90.04</u>	<u>44.28</u>

**NOTE 20.1 : INTEREST INCOME COMPRISES**

Particulars	For the year ended 31st March 2012 Rs. in lakhs	For the year ended 31st March 2011 Rs. in lakhs
Interest from banks on deposits	2.82	5.44
Interest on income tax refund	-	1.82
Other interest	3.62	6.82
<b>Total</b>	<b>6.44</b>	<b>14.08</b>

**NOTE 21 : COST OF RAW MATERIALS CONSUMED**

Particulars	For the year ended 31st March 2012 Rs. in lakhs	For the year ended 31st March 2011 Rs. in lakhs
Opening stock	138.77	65.54
Add: Purchases	350.94	1,016.71
	<b>489.71</b>	<b>1,082.25</b>
Less: Closing stock	74.87	138.77
Cost of material consumed	<b>414.84</b>	<b>943.48</b>

**NOTE 21.1 : COST OF RAW MATERIALS CONSUMED COMPRISE**

Sl.No.	Particulars	UOM	2012		2011	
			Quantity	Value	Quantity	Value
(i)	Ball Clay/Fiedspar etc..	Tonnes	8909.67	150.75	19,030	468.92
(ii)	Zirconium sillicate/colour	Tonnes	26.05	31.72	103	123.79
(iii)	Others	Tonnes		232.37		350.77
				<b>414.84</b>		<b>943.48</b>

21.2 Of the above consumption indogenous items constitute 100% ( 2011 : 100%)

**NOTE 22 : PURCHASE OF TRADED GOODS**

Particulars	For the year ended 31st March 2012 Rs. in lakhs	For the year ended 31st March 2011 Rs. in lakhs
Unglazed fully vitrified Ceramic Tiles	45.68	140.95
<b>Total</b>	<b>45.68</b>	<b>140.95</b>

## Notes Forming Part of the Financial Statements

**NOTE 23 : CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS**

Particulars	For the year ended 31st March 2012 Rs. in lakhs	For the year ended 31st March 2011 Rs. in lakhs
Inventories at the end of the year:		
Finished goods	668.02	1,051.06
Work-in-progress	10.17	39.40
	678.19	1,090.46
Inventories at the beginning of the year:		
Finished goods	1,051.06	601.40
Work-in-progress	39.40	245.99
	1,090.46	847.39
Excise duty on Movement in Finished goods	5.79	18.86
Net (increase) / decrease	406.48	(261.93)

**NOTE 24 : EMPLOYEE BENEFITS EXPENSE**

Particulars	For the year ended 31st March 2012 Rs. in lakhs	For the year ended 31st March 2011 Rs. in lakhs
Salaries,Wages and Bonus	500.17	557.65
Contributions to provident and other funds	32.09	31.99
Gratuity	-	14.00
Staff welfare expenses	18.15	27.28
<b>Total</b>	550.41	630.92

24.1 Salaries,Wages and Bonus is net of recoupment of Expenses of Rs.139.54 Lakhs (2011 Rs. 150.58 Lakhs) from Bell Granito Ceramica Ltd (BGCL) under an arrangement for manufacture and sale of goods by BGCL under the Company's brand.

**NOTE 25 : FINANCE COSTS**

Particulars	For the year ended 31st March 2012 Rs. in lakhs	For the year ended 31st March 2011 Rs. in lakhs
Interest expense on:		
(i) Working Capital	90.66	71.36
(ii) Others - Bank Charges	11.14	15.89
(iii) Others	4.64	4.24
<b>Total</b>	106.44	91.49



**NOTE 26 : DEPRECIATION AND AMORTISATION EXPENSE**

Tangible assets	For the year ended 31st March 2012 Rs. in lakhs	For the year ended 31st March 2011 Rs. in lakhs
(a) Buildings		
Own use	40.69	40.69
(b) Plant and Equipment		
Owned	518.55	507.98
(c) Furniture and Fixtures		
Owned	4.32	4.32
(d) Vehicles		
Owned	3.17	2.34
Taken under finance lease	0.83	1.66
(e) Office equipment		
Owned	6.39	6.39
<b>Total</b>	<b>573.95</b>	<b>563.38</b>

**NOTE 27 : OTHER EXPENSES**

Particulars	For the year ended 31st March 2012 Rs. in lakhs	For the year ended 31st March 2011 Rs. in lakhs
Consumption of stores and spare parts	56.49	64.78
Consumption of packing materials	42.31	73.43
Power and fuel	923.65	1,460.23
Rent	27.67	25.64
Repairs and maintenance - Buildings	4.58	6.31
Repairs and maintenance - Machinery	7.02	43.62
Repairs and maintenance - Others	14.49	14.50
Insurance	3.12	2.30
Rates and taxes	3.01	10.49
Communication	18.19	22.77
Travelling and conveyance	40.62	69.32
Freight and forwarding	77.62	122.19
Sales commission	26.79	56.91
Sales discount	0.54	1.98
Business promotion	46.67	185.75
Legal and professional	19.43	28.26
Payments to auditors	4.00	3.81
Bad trade and other receivables, loans and advances provided/written off	41.21	71.30
Net loss on foreign currency transactions and translation	4.76	-
Amortisation of issue expenses Product Development costs etc.,	50.25	119.30
Directors Sitting Fees	2.11	2.02
Vehicle expenses	22.31	23.99
Security Charges	13.66	12.98
Electricity charges	2.12	1.42
Miscellaneous expenses	10.73	22.75
<b>Total</b>	<b>1,463.35</b>	<b>2,446.05</b>

Notes Forming Part of the Financial Statements

**27.1 AMORTIZATION OF EXPENSES COMPRISE;**

Sl No	Particulars	2012	2011
1.	Capital Issue Expenses	27.34	23.46
2.	Product Development Expenses	-	82.70
3.	Brand Building Expenses	22.91	13.14
	<b>Total</b>	<b>50.25</b>	<b>119.30</b>

**27.2 PAYMENTS TO THE AUDITORS COMPRISES :**

Particulars	For the year ended 31st March 2012 Rs. in lakhs	For the year ended 31st March 2011 Rs. in lakhs
As auditors - To statutory auditors	3.50	3.00
For Taxation matters - To Tax Auditor	0.50	0.50
Reimbursement of expenses - Service Tax	-	0.31
<b>Total</b>	<b>4.00</b>	<b>3.81</b>

27.3 Bad Trade and other receivables provided/written off in the earlier year Rs.71.30 Lakhs is net of provision written back Rs.52.03 Lakhs.

**Note 28 Additional information to the financial statements (contd.)**

		<b>31.03.2012</b>	<b>31.03.2011</b>
		Rs. In Lakhs	Rs. In Lakhs
<b>28.1</b>	<b>Imports (CIF)</b>		
	Consumables	<u>102.21</u>	<u>154.72</u>
		<u>102.21</u>	<u>154.72</u>
<b>28.2</b>	<b>Expenditure in foreign currency</b>		
	Travel	<u>1.26</u>	<u>2.14</u>
		<u>1.26</u>	<u>2.14</u>
<b>28.3</b>	<b>Earnings in foreign currency</b>		
	Export - FOB value	<u>70.97</u>	<u>142.36</u>
		<u>70.97</u>	<u>142.36</u>
<b>28.4</b>	There were no remittances of dividend in foreign currencies to non-resident shareholders		
<b>28.5</b>	<b>Capital commitments (net of advances) not provided for</b>	Nil	Nil
<b>28.6</b>	<b>Contingent liabilities</b>		
	a) Guarantees	42.60	43.61
	b) Letters of Credit	-	59.47
	c) Claims (net) against the company not acknowledged as debts - Sales tax	116.53	85.61
	d) The Company has received notices subsequent to the end of the year demanding interalia that Cenvat Credit of Rs. 110 lakhs availed in earlier years on Capital Goods be reversed following shifting of the said machinery to the Company's unit being set up at Vadodara, Gujarat. Interest on the same has also been demanded. Even upon such reversal, the Company would be entitled to avail credit for the same at the Vadodara Unit and as such there may not be any impact on the Profit and Loss Statement. On the basis of legal advice, the Company will be contesting the said demand in due course.		
	e) 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 Company's books of account. The outflow in respect of the above is not practicable to ascertain in view of the uncertainties involved		

## Notes Forming Part of the Financial Statements

**Note 28 Additional information to the financial statements (contd.)**

31.03.2012 31.03.2011

28.7 The following prior period expenditure have been reckoned under the respective heads.in the financial statements.In the earlier year these expenses were reckoned under the head other expenses in

Note 27. The nature of such items are as under

SI No	Nature of Expenditure		
1.	Salaries and Wages	-	17.17
2.	Selling and distribution Expenses	-	1.65
3.	Commission	-	19.25
4.	Interest others	-	2.42
	<b>Total</b>	-	<b>40.49</b>

28.8 Exceptional items comprise sales tax liabilities arising upon completion during the year of assessments for various prior years and excise duty / service tax demands for earlier periods.

## 28.9 Employee benefits

a) Defined benefit plans - As per Actuarial valuation on March 31, 2012 **Gratuity**

	<u>2012</u>
<b>A Expense recognised in the statement of Profit and Loss Account for the year ended March 31, 2012</b>	
1 Current service cost	9.25
2 Interest cost	4.93
3 past service cost(Vested benefits)	-
4. Net actuarial (gain) / loss recognised during the year	(28.24)
Past service cost	
5 Total expense	(14.06)
<b>B Actual return on plan assets</b>	
1 Expected return on plan assets	-
2 Actuarial gain/ (loss) on plan assets	-
3 Actual return on plan assets	-
<b>C Net Asset/ (Liability) recognised in the Balance Sheet</b>	
1 Present value of the obligation	40.77
2 Fair value of plan assets	
3 Funded status [ surplus/ (deficit)]	-
4 Net Asset/ (Liability) recognised in the Balance Sheet	(40.77)
<b>D Change in Present value of the Obligation during the year</b>	
1 Present value of obligation as at beginning of the year	61.67
2 Current service cost	9.25
3 Interest cost	4.93
4 Benefits paid	(6.84)
5.Past service cost(vested benefits)	-
6 Actuarial (gain) / loss on obligation	(28.24)
7 Present value of obligation as at end of the year	40.77
<b>E Change in Assets during the year</b>	
1 Fair value of plan assets as at beginning of the year	-
2 Expected return on plan assets	-
3 Contributions	-
4 Benefits paid	-
5 Actuarial gain / (loss) on plan assets	-
6 Fair value of plan assets as at end of the year	-

Notes Forming Part of the Financial Statements

**Compensated-Leave absences**

**RESTILE CERAMICS LIMITED**

<u>2011</u>	<u>2009</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
13.79	9.23	17.09	11.73	9.52	21.83
3.86	2.54	0.89	0.61	2.06	1.46
1.94	-	-	-	-	-
(6.28)	3.76	(8.46)	(8.85)	(28.79)	(5.45)
13.32	11.78	9.52	3.49	(17.22)	23.29
-	-	-	-	-	-
-	3.76	-	-	(28.79)	(5.45)
-	-	-	-	-	-
61.67	41.65	(16.64)	11.10	7.62	30.10
-	-	-	-	-	-
-	-	-	-	-	-
(61.67)	(41.65)	(16.64)	(11.10)	(7.62)	(30.10)
48.35	32.64	11.10	7.62	30.10	21.62
13.79	9.23	17.09	11.73	9.52	21.83
3.86	2.54	0.89	0.61	2.06	1.46
-	(6.53)	(3.98)	-	(5.26)	(9.37)
1.94	-	-	-	-	-
(6.28)	3.76	(8.46)	(8.85)	(28.79)	(5.45)
61.67	41.65	16.64	11.10	7.62	30.10
-	-	-	-	-	-
-	-	-	-	-	-
-	6.53	-	-	5.26	9.37
-	(6.53)	-	-	(5.26)	(9.37)
-	3.76	-	-	(28.79)	(5.45)
-	-	-	-	-	-

**F Experience adjustments in**

1 Plan liabilities - loss / (gain)	-
2 Plan assets - (loss) / gain	-
3. Experience gain / loss on obligation	(17.65)

**G Major categories of plan assets as a percentage of total plan** Unfunded**H Actuarial Assumptions**

Discount rate	2012 8.75%
Salary escalation	6.00%

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

b) During the year the company has recognised the following amounts in the Profit and Loss Account in Note 24 Salaries and wages includes short term compensated absences Rs.13.49 lakhs (2011: Rs.13.49 Lakhs)

Contribution to provident, and other funds includes Provident fund and family pension Rs.23.78 lakhs (2011: Rs.20.77 lakhs), and contribution to employee state insurance plan Rs.8.31 lakhs (2011: Rs.8.32 lakhs).

c) The company has adopted Revised Accounting Standard 15 and comparatives have been provided for the Four Years for which data is available.

-	4.24	3.28	-	0.28	0.75
-	(0.49)	-	-	(29.08)	(6.20)
(6.28)	-	-	(8.85)	-	-
Unfunded	Unfunded	Unfunded	Unfunded	Unfunded	Unfunded
<b>2011</b>	<b>2009</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
8.00%	7.50%	8.75%	8.00%	8.00%	7.50%
8.00%	7.00%	6.00%	8.00%	8.00%	7.00%



**Note 28 Additional information to the financial statements (contd.)**

31.03.2012 31.03.2011

Rs. In Lakhs Rs. In Lakhs

**28.10 Segment information**

The company is principally engaged in a single business segment viz., Vitrified tiles and operates in one geographical segment as per Accounting Standard 17 on 'Segment Reporting'.

**28.11 Related party disclosure**

a) Related Parties where control exists:

Restile Marketing (P) Ltd.,

b) Associate Companies

Elister IT Solutions India (P) Limited

Sologuard Medical Devices (P) Limited

Athreya Finance Pvt Ltd

Bell Granito Ceramica Limited (w.e.f. 1.4.10)

c) Key Management Personnel, their relatives and their enterprises where transactions have taken place.

Mr. Nalin Amratlal Rathod

Mr. Tribhuvan Simh Rathod

(d) Material Transactions with related parties

(i) Purchase of Finished Goods

Bell Granito Ceramica Ltd

45.68

140.95

(ii) Other Expenditure

a) Salary to Key management Personnel

Mr Tribhuvan Simh Rathod

30.69

30.09

b) Sitting fees to Key Mangement Personnel

Mr Nalinkanth Amratlal Rathod

0.24

0.08

c) Soft ware maintenance charges to Elister IT solutions (p) ltd

Nil

4.99

(iii) Sales

Associate Company - Bell Granito Ceramica Ltd

-sale of spares

20.01

51.61

-sale of consumables

102.03

120.37

(iv) Advance / Current account - Net increase / (decrease)

Associate Company

Bell Granito Ceramica Ltd

231.58

(312.93)

(v) Amount due by the company

a) Associate Companies

Atreya Finance Pvt Ltd - Deep Discount Bond outstanding

1730.83

1730.83

b) Key Management Personnel

Mr Tribhuvan Simh Rathod

10.73

1.24

Mr Nalinkant Amratlal Rathod

0.24

0.08

## Notes Forming Part of the Financial Statements

28.12 Earnings per share	2012 (RS. in lakhs)	2011 (RS. in lakhs)
Basic and Diluted earnings per share		
Profit after taxation as per Profit and Loss account	(1,347.57)	(1671.81)
Weighted average number of equity shares outstanding	98279239	98279239
Basic and Diluted earnings per share	(1.37)	(1.70)

**28.13** The company had, in the earlier year, embarked on an exercise to review debit/credit balances of customers / suppliers / others as appearing in the books of account and reconcile them with parties. This Review continued during the year and has revealed

i) Old debts not legally enforceable in view of time that has lapsed and debts from customers no longer in business

ii) Debts not realisable in view of counter claims for discounts/ quality issues etc

iii) Credit balances no longer payable due to one time settlement of dues and the period that has lapsed. Accordingly necessary accounting action to write off/write back their balances have been effected in the financial statements. The above exercise would be completed with circularisation of balances of customers/suppliers.

**28.14** Amounts due to Small Scale Industrial undertakings are not ascertainable. (ii) The Company has not received any information from "Suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any relating to the amounts unpaid as at the end of the year together with interest paid/ payable under the said Act have not been furnished.

**28.15** The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. Accordingly, previous year's figures have been regrouped / reclassified/amended wherever necessary to correspond with the current year's classification.

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

Terms of our report of even date attached

For and on behalf of the Board of Directors

for **M.S.KRISHNASWAMI & RAJAN**

Chartered Accountants

Registration No. 01554S

**M.S. Murali**

Partner

Membership No:26453

Chennai

May 29, 2012

**Tribhuvan Simh Rathod**

Managing Director

**Seetharaman T R**

Director

**STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES****1. Basis of accounting and preparation of financial statements**

- 1.1 The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.
- 1.2 All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the revised schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has determined its operating cycle as twelve months for the purpose of current - noncurrent classification of assets and liabilities.

**2. Use of estimates**

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

**3. Tangible Fixed assets and depreciation**

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

Assets are depreciated on straight line basis, over their estimated useful lives or lives derived from the rates prescribed in Schedule XIV to the Companies Act, 1956, whichever is lower and in the manner described in Schedule XIV to the Companies Act, 1956.

Assets subject to impairment, on the asset's revised carrying amount, over its remaining useful life.

**4. Investments**

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

**5. Inventories**

Inventories are valued at lower of cost and net realisable value; cost being ascertained on the following basis: Stores, spares, consumable tools, and raw materials: on weighted average cost basis.

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

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

Obsolete / slow moving inventories are adequately provided for.

**6. Foreign currency transactions and derivatives**

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

**7. Amortization of deferred expenditure**

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

**8. Revenue recognition**

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

**9. Research and Development Costs**

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

**10. Employee benefits**

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

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

**Defined contribution plans:**

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

**Defined benefit plans and compensated absences:**

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

**11. Deferred tax**

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

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

**Notes Forming Part of the Financial Statements****12. Provisions and contingencies**

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

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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 and on behalf of the Board of Directors

**for M.S.KRISHNASWAMI & RAJAN**

Chartered Accountants

Registration No. 01554S

**M.S. Murali**

Partner

Membership No:26453

Chennai

May 29, 2012

**Tribhuvan Simh Rathod**

Managing Director

**Seetharaman T R**

Director



**RESTILE CERAMICS LIMITED**

Regd. Office: Malkapur Village, Narsapur Taluk  
Hatnoora Mandal, Medak District, Andhra Pradesh

**ATTENDANCE SLIP**

Registered Folio / DPID No.:

Name of the Shareholder: ..... No. of Shares:.....

I/We hereby record my/our presence at the TWENTY SIXTH ANNUAL GENERAL MEETING of the Company at the Registered Office at Malkapur Village, Hatnoora Mandal, Narsapur Taluq, Medak Dist, A.P at 21<sup>st</sup> day of September 2012 and at any adjournment thereof.

Signature of the Shareholder(s): \_\_\_\_\_

Notes:

1. Shareholder/Proxy holder wishing to attend the meeting must bring the Attendance Slip/ Proxy form as the case may be to the meeting and handover at the entrance duly signed.
2. Shareholder/Proxy holder desiring to attend the meeting should bring his copy of the Annual Report for reference at the meeting.

**RESTILE CERAMICS LIMITED**

Regd. Office: Malkapur Village, Narsapur Taluk  
Hatnoora Mandal, Medak District, Andhra Pradesh

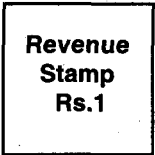
**PROXY FORM**

I/We .....being a Member/Members of RESTILE CERAMICS LIMITED hereby appoint .....of .....or failing him/her ..... of ..... as my/our Proxy to attend and vote for me/us and on my/our behalf at the TWENTY SIXTH ANNUAL GENERAL MEETING of the Company at the Registered Office at Malkapur Village, Hatnoora Mandal, Narsapur Taluq, Medak Dist, A.P at 21<sup>st</sup> Day of September 2012 and at any adjournment thereof.

Registered Folio / DPID No. : ..... No. of Shares: .....

AS WITNESS my hand/our hands this ..... day of ..... 2012

Signature(s) .....



Note: The proxy form must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.





Dear Shareholder,

Sub: Green Initiative in Corporate Governance

The Ministry of Corporate Affairs has taken a "Green Initiative in Corporate Governance" by allowing paperless compliance by companies through electronics mode. 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 made 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 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 us in the attached postage prepaid envelope.

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. /Dp ID & Client ID :

Name of 1<sup>st</sup> Registered Holder :

Name of joint Holder(s) :

Registered Address :

E mail ID (to be registered) :

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

Please note that the Share and Depository Transfer Agents  
for the Company are :

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

*All Correspondance may be addressed to them*

If undelivered, please return to :

**RESTILE<sup>®</sup>**

THE ORIGINAL FULBODY TILE

RESTILE CERAMICS LTD  
# 1-10-177, Varun Towers, 5th Floor,  
opp to hyderabad public school  
Begumpet, Hyderabad - 500 016.