



RESTILE CERAMICS LIMITED

29th Annual Report 2014-15

BOARD OF DIRECTORS

| | | |
|-------------------------------|---|--------------------------|
| Sri Nalinkant Amratlal Rathod | - | Chairman |
| Sri Tribhuvan Simh Rathod | - | Managing Director |
| Sri. Ramachandran N.S | - | Independent Director |
| Sri N Gopala Krishnan | - | Independent Director |
| Sri N S Mani | - | Independent Director |
| Sri K.Rajendra Prasad | - | Nominee Director - APIDC |
| Sri. Seetharaman TR | - | Director |
| Sri G.Padmanabhan | - | Director |
| Smt Bharathi Rathod | - | Director |

SHAREHOLDERS' INFORMATION

| | |
|---|---|
| Annual General Meeting Venue | 19th September, 2015 At Registered office at Malkapur Village, Hatnoora Mandal, Narsapur Taluk, Medak District-502 296, Telangana. |
| Auditors | M/s.M.S.Krishnaswami & Rajan Chartered Accountants GB, Anand Apartments, JP Avenue, Dr.Radhakrishnan Road, 6th Street, Chennai -600 004. |
| Bankers | a) State Bank of India Industrial Finance Branch, Somajiguda Hyderabad - 500 082 b) Sanga Reddy Branch, Sanga Reddy, Medak – 502 001 |
| Registered Office & Factory Location | Malkapur Village, Hatnoora Mandal, Narsapur Taluk, Medak District-502 296 Telengana. www.restile.com |
| CIN | L26931TG1986PLC006480 |
| Book Closure Date | 12th September, 2015 to 19th September, 2015 (Both days inclusive) |
| Listing | Bombay Stock Exchange Ltd, |
| ISIN NO | INE298E01022 |
| Stock Code | 515085 |
| Evoting Dates | 16th September, 2015 to 18th September, 2015 |
| Registrars & Share Transfer Agents | M/s. Cameo Corporate Services Ltd, Subramanian Building 1, Club House Road, Chennai 600 002. Telephone No: 044-28460390. |

NOTICE TO MEMBERS

NOTICE is hereby given that the 29th Annual General Meeting of the Members of the Company will be held at 11.30.A.M Saturday,19th September 2015 at Malkapur Village, Hatnoora Mandal, Narsapur Taluk, and Medak District-502 296 to transact the following business:

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended March 31, 2015 and Balance sheet as at that date, and Cash flow statement for the year ended March 31, 2015, together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Sri. Tenkasi Ramanarayanan Seetharaman (DIN: 02385221) who retires by rotation and is eligible for reappointment.
3. To appoint Auditors and fix their remuneration.

In this connection, to consider and if thought fit, to pass the following as an Ordinary Resolution;

“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed there under, as amended from time to time, M/s. M.S.Krishnaswami & Rajan, Chartered Accountants (Firm Registration NO.01554S) be and is hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, at such remuneration plus service tax, out-of-pocket, travelling expenses etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

SPECIAL BUSINESS

4. Authority to borrow in excess of the paid up capital and reserves;

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution pursuant to the Companies Act, 2013 (the “Act”)

“RESOLVED THAT in supersession of the earlier resolution passed by the Members of the Company in the previous Annual General Meeting, the Board of Directors of the company be and is hereby authorized in accordance with the provisions of Sec.180(1)(c) and other applicable provisions if any, of the Companies Act,2013, to borrow from time to time all such sums of money as may deem requisite for the purpose of the business of the Company provided that the moneys to be borrowed together with the moneys already borrowed by the company apart from temporary loans obtained from the company’s bankers in the normal course of business shall not exceed the aggregate of the paid-up capital and free reserves by More than Rs.50 Crores (Rupees Fifty Crores only)”.

“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to finalize and execute such documents as may be required and to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary proper or desirable in the best interest of the Company.”

By Order of the Board of Directors

Sd/-

Place: Singapore
Date: 24th July, 2015

Nalinkant Amratlal Rathod
(DIN 00272129)
Chairman

NOTES:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. The proxy in order to be effective must be received by the company at its registered office not less than 48 hours before the commencement of the meeting.
3. Members/proxies are requested to bring their copies of Annual Report and the attendance slip duly filled in for attending the meeting. Copies of the Annual Reports will not be provided at the meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 12th September 2015 to 19th September 2015.
5. Members are requested to notify any change in their addresses to the Company's Share and Depository Transfer Agents. Members are also requested to intimate their email to the company's share and depository agent.
6. Members holding shares in physical form are requested to convert their holdings into Demat. The Company's Id with CDS (I) L and NSDL is INE298E01022. The Company's Registrar and Share Transfer Agents are M/S.CAMEO CORPORATE SERVICES LIMITED, "SubramanianBuilding"1, Club House Road, Chennai 600 002.
7. Members desiring any information as regards accounts are requested to write to the Company at least seven days before the date of the meeting to enable the management to keep the information ready at the meeting.
8. Copies of Annual Report are being sent by electronic mode only to all the members whose email address are registered with Company/Depository participant for communication purposes unless any member requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the Annual Report 2015 are being sent by the permitted mode.
9. The shares of the Company are listed with Mumbai Stock Exchange. The Listing Fee for the year 2014-2015 has been paid to Stock Exchange.
10. 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.
11. Shareholders holding shares in physical form are invited to contribute to the cause of Green Initiative by registering their e-mail ID, by submitting the E- COMMUNICATION REGISTRATION FORM inserted in the Annual Report.
12. Voting through Electronic Means:

In compliance with provisions of Sec.108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules 2014, the Company is pleased to inform you a facility to exercise your voting right at the Annual General Meeting by electronic means (eVoting) and the business may be transacted through e-voting Services provided by Central Depository Services Ltd (CDSL).

The procedure and instruction for e-voting are as under:

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 16th September 2015 and ends on 18th September 2015. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 12th September 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

| | For Members holding shares in Demat Form and Physical Form |
|-----------------------|---|
| PAN | <p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits folio number in the PAN field. • In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number is 1 then enter RA00000001 in the PAN field. |
| DOB | <p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p> |
| Dividend Bank Details | <p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v). |

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting

through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password& enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com

By Order of the Board of Directors

Sd/-

Nalinkant Amratlal Rathod

(DIN 00272129)

Chairman

Place: Singapore

Date: 24th July, 2015

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 forming part the 29th Annual General Meeting of the Company

Item No.2

Mr. Tenkasi Ramanarayanan seetharaman director retiring by rotation at the ensuing AGM under the provisions of the Companies Act,2013.In terms of section 149 and other applicable provisions of the Companies Act,2013. Mr. Tenkasi Ramanarayanan seetharaman being eligible, offer himself for re appointment.

The company has received from Mr. Tenkasi Ramanarayanan seetharaman consent in writing to act as director liable to retire by rotation, Except Ramanarayanan seetharaman being an appointee, none of the directors and key managerial personnel of the company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at item no.2

This explanatory statement may also be regarded as a disclosure under clause 49 of the Listing agreement with the stock exchange.

Item No.4

The Board of Directors of the Company were authorized by the members of the Company under Sec.180(1)(c) of the Companies Act, 2013 to borrow funds upto Rs.50 crores (Rupees Fifty crores only) in excess of the aggregate of the paid up capital and free reserves (other than temporary loans obtained from the company's bankers in the ordinary course of business). In order to meet the long term fund requirements and for financing the present and future projects of the Company, the Board of Directors request the members to accord their consent to borrow funds up to Rs.50 crores (Rupees Fifty Crores only) in excess of the aggregate of the paid up capital and free reserves of the Company in terms of Section 180(1)(c) of the Companies Act, 2013.

The Directors recommends the resolution for members' approval as Special Resolution.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this resolution.

By Order of the Board of Directors

Sd/-

Nalinkant Amratlal Rathod

(DIN 00272129)

Chairman

Place: Singapore

Date: 24th July, 2015

DIRECTORS' REPORT

To the Members:

The Directors are pleased to present the 29th Annual Report of the Company together with its Audited Financial Statements for the year ended March 31, 2015.

1. Financial Results

| Particulars | Rs.Lakhs | |
|--|-----------|-----------|
| | 2014-15 | 2013-14 |
| Gross Sales | 271.55 | 467.76 |
| Other Income | 34.50 | 7.38 |
| EBITDA | (166.93) | (591.28) |
| Interest and Financial charges | 95.73 | 109.85 |
| Depreciation | 821.60 | 573.48 |
| Profit/(Loss) before taxes | (1084.26) | (1274.61) |
| Provision for taxes | 10.74 | - |
| Profit / (Loss) carried to Balance Sheet | (1095.00) | (1274.61) |

2. Company Performance

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

3. Fixed Deposits:

The Company has not accepted any fixed deposits, within the meaning of section 73 of the companies Act 2013, Read with the Companies (Acceptance of Deposits) Rules, 2014 during the period under review.

4. Board of Directors:

The Board of directors has met five (5) times during the year on a quarterly basis to review and consider the quarterly financials of the Company and the meeting dates are provided in the Corporate Governance Report, Sri T R Seetharaman, Director retire by rotation and is eligible for reappointment.

5. Key Managerial persons:

The key managerial persons of the company presently are Sri Nalinikant Amartlal Rathod, Chairman, Sri Tribhuvan Simh Rathod, Managing Director and M. Subba Rao Chief Financial Officer.

6. Internal Controls and Systems:

The company has an internal control system, commensurate with size and, scale and complexity of its operations

7. Details of significant Material orders:

No significant and material orders were passed by the regulations or courts or tribunals impacting the going concern status and future operation of the Company.

8. Independent Directors Declaration as per Section 149 of the Act:

The declarations received from the Independent Directors pursuant to the provisions of Section 149 of Companies Act, 2013, were taken on record by the Board

9. Auditors and Audit Report

M/s M.S Krishnaswami & Rajan, Chartered Accountants,(Firm Reg No.01554S), Who are statutory auditors of the company to hold office up to the forth coming Annual General Meeting and being eligible recommended for re-appointment as statutory auditors to hold office till conclusion of 30th Annual General Meeting.

Pursuant to the provisions of Sec.139 of the Companies Act, 2013 and the rules framed there-under, the company has obtained written confirmation from M/S Krishnaswami & Rajan, Chartered Accountants, (Firm Reg No.01554S), that their appointment, if made, would be in conformity with limits specified in the said section.

Regarding the Qualifications/Comments of auditors in their report, the directors wish to state:

In order to make company's business viable, the company has drawn plans to merge Two associate companies (Athreya Finance Ltd and Bell Granito Ceramica Ltd) with the company. For this purpose a modified draft. Rehabilitation scheme has been submitted with BIFR for approval which is pending before BIFR.

Further in respect of qualifications/Comments of the auditor company has sought relief from BIFR in the modified draft rehabilitation scheme submitted. Once the approval of said Scheme is received all the qualifications/comments of auditors in their report get cleared.

The secretarial auditor in his report dated 24.7.15 has made certain remarks, for which the company is in the process of regularising the same.

10. Cost Audit:

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

11. Particulars of loan/guarantee or Investments by the Company:

The company has not made loans, guarantees and investments covered under section 186 of the companies Act, 2013.

12. Particulars of related party contracts and other arrangements under section 188 of the company:

All related party transactions that were entered into during the year under review were on arms length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Companies Act, 2013. Suitable disclosures as required under AS 18 have been made in notes to the financial statements.

13. Whistle Blower Policy:

The company has a Whistle Blower policy to report genuine grievances. The Company promotes a favorable environment for employees to have an open access to the audit committee, Functional heads and Managing director so as to ensure ethical and fair conduct of the business of the company.

14. Remuneration and Nomination policy:

The Board of directors has framed a policy which lays down the frame work in relation to remuneration to Directors, Key Managerial Personnel and Senior Management of the company. The policy also

lays down the criteria for selection and appointment of Board members. The details of this policy are explained in the Corporate Governance Report.

15. Board Evaluation:

Pursuant to the provisions of Companies Act, 2013, and clause 49 of the Listing Agreement, the performance evaluation of the Independent Directors was made. Performance evaluation of the chairman and the Non Independent directors was carried out by independent Directors. The Board expressed their satisfaction with the evaluation process.

16. Implementation of Risk Policy:

Pursuant to Clause 49 of the listing Agreement, the Company has framed a Risk Management Policy. This policy framework enables the company to identify and evaluate risks and opportunities.

This framework seeks to create transparency, minimize adverse impact on business objective and enhance the Companies competitive advantage.

17. Corporate Social Responsibility:

The company has incurred loss in the current year and past 3 years also. Hence the Corporate social responsibility is not applicable to the company.

18. Conservation of Energy, Technology Transfer and Foreign Exchange Earnings and Outgo:

Particulars pursuant to the provisions of section 134(3)(m) of the Act, read with the Companies (Accounts) Rules, 2014 is furnished in the Annexure to this report.

19 RESERVES

During the year the Company has not transferred any amounts to General Reserves or any other reserves.

20. INFORMATION ABOUT SUBSIDIARY / JOINT VENTURES:

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

21.SHARE CAPITAL

The Authorised Share Capital of the Company as on date of Balance Sheet is ₹100,00,00,000/- divided into 10,00,00,000 equity shares of ₹10/- each

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

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

22. Option to all the directors to participate in Video conference.

Pursuant to Section 173(2) of the Companies Act, 2013, Company can hold Board Meeting through Video Conferencing. Ministry of Corporate Affairs also released a notification in this regard. These new rules enable the Directors sitting at place other than the venue decided by the Board of Directors to participate in the Meeting through Video Conferencing. Board of Directors has given option to all the Directors of the company, if interested, to participate in the Board Meeting through Video Conferencing by giving advance intimation to the Board.

23 Extract of Annual return:

The details forming part of the extract of the annual return in form MGT-9 as required under section 92 of the companies Act 2013 is included in this Report as Annexure-A and forms as integral part of this Report.

24. Secretarial Audit:

Pursuant to the provisions of section 204 of the companies act 2013 and rules made there under the company has appointed M/s A.S. Ramkumar & Associates, a firm of Practicing Company Secretaries (C.P No.9228) to undertake the Secretarial Audit of the company. The secretarial audit report is included as Annexure – B and forms an integral part of this report.

25. Directors' Responsibility Statement:

Pursuant to Section 134(3)(c) and 134(5) of the Companies Act, 2013, the Board of Directors of the Company to the best of their knowledge and ability confirms that:-

- i. In the preparation of the Annual accounts for the year ended 31st March 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii. And applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the company as at 31st March 2015 and of the profit of the company for the year ended on that date;
- iii. 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, 2013 for safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. The Annual Accounts have been prepared based on going concern basis.
- v. That the Directors have laid down the Internal Financial controls to be followed by the company and that such internal Financial controls are adequate and operating efficiently and
- vi. That the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating efficiently.

26. Human resources and industrial relations:

The relationships with employee have been fairly cordial.

27. Appreciation:

Your director's wish to place on record their appreciation for the contribution made by the employees at all levels but for whose hard work and support your company's achievements would not have been possible. Your directors also wish to thank its customers, dealers, agents, suppliers, investors and bankers and various State and Central Government Agencies. The Directors also take this opportunity to thank the shareholders for their continued confidence reposed in the Management of the company.

By Order of the Board of Directors

Place: Singapore
Date: 24th July, 2015

Sd/-
Nalinkant Amratlal Rathod
(DIN 00272129)
Chairman

Sd/-
T R Seetharaman
(DIN 02385221)
Director

ANNEXURE TO THE DIRECTORS REPORT

Conservation of Energy, Technology Transfer and Foreign Exchange Earnings and outgo

The Information under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 for the year ended March, 31, 2015 is given here below and forms part of the Directors Report.

Conservation of Energy

In line with the Company's Commitment towards conservation of energy the company is putting efforts to conserve energy by means of minimal consumption of power. Total Units of power consumed during the year was 1,17,350 units amounting to Rs.55.43 Lacs (2013:14 479160 KWH amounting to Rs.67.17 Lacs). During the year there was no production and hence the Gas consumption is nil (2013:14 119.52 tonnes amounting to Rs.78.75 lacs)

Technology Absorption:

As there are no productions/operations during the year 2014-15, nothing much happened in the areas of Technology absorption, new product development, cost reduction and quality improvement.

Foreign Exchange Earnings and Outgo:

| | 2014-15 (Rs. in Lakhs) | 2013-14 (Rs. in Lakhs) |
|---------------------------|---------------------------|---------------------------|
| Foreign Exchange Earnings | Nil | Nil |
| Foreign Exchange outgo | Nil | Nil |

Certification by Managing Director and Chief Financial Officer to the Board

We Tribhuvan Simh Rathod, Managing Director and M. Subba Rao, Chief Financial Officer certify that;

- We have reviewed the financial statements for the year and that to the best of our knowledge and belief:
 - these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - these statements present a true and fair view of the state of affairs of the company and of the results of operations and cash flows. The financial statements have been prepared in conformity, in all material respects, with the existing Generally Accepted Accounting Principles including Accounting Standards, applicable laws and regulations.
- There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- We accept overall responsibility for establishing and monitoring the company's internal control system for financial reporting and evaluating its effectiveness. The Statutory Auditors reports significant issues to the Audit Committee of the Board. The Statutory Auditors and audit committee are appraised of any corrective action taken or proposed to be taken with regard to significant deficiencies and material weaknesses.
- We have indicated to the Auditors and to the Audit Committee:
 - Significant changes if any in internal control over financial reporting during the year;
 - Significant changes if any in accounting policies during the year;
 - Instances of significant fraud of which we have become aware of and which involve management or other employees who have significant role in the company's internal control system over financial reporting. However, there was no such instance

Place: Singapore
Date: 24th July, 2015

M. Subba Rao
Chief Financial Officer

Tribhuvan Simh Rathod
Managing Director
(DIN 01996833)

MANAGEMENT DISCUSSION AND ANALYSIS

RESTILE CERAMICS LIMITED

29th ANNUAL REPORT 2014-15

Annexure to the Director's Report

As per the last GDP growth estimates, there is growth in Indian economy in the Financial Year 2014-15 compared to Financial Year 2013- 2014. Reduced inflation, stable Rupee, improved purchasing power and higher capital inflows supported by the government policy reforms have already put India on an accelerating growth track and improved the business outlook.

Management Discussion and Analysis of Operating Results and Financial Performance

1. The paid up equity share capital as at March 31, 2015 stood at 98.27 crore. During the year under review, the company has not issued shares with differential voting rights nor has granted any stock options or sweat equity. As on March 31, 2015 none of the directors of the company hold instruments convertible into equity shares of the company.
2. Net Revenue from operations during the year was Rs.261.58 lacs as against Rs.420.92 Lacs. During the year there was no production and the revenue was generated out of sale of materials from Stock.
3. On the Expenditure part, there has been decrease in total expenditure compared to previous year. The Following tabular statement depicts the increase/ (decrease) of various types of expenditure

(Rs.in Lakhs)

| Sl.No | Nature of Expenditure | 2014-15 | 2013-14 | Increase/ (Decrease) |
|-------|--|---------|---------|-------------------------|
| 1. | Raw Material Consumption (Movement in Finished Goods Stock) | 204.62 | 326.88 | (122.26) |
| 2. | Employee Expenses | 108.74 | 265.08 | (156.34) |
| 3. | Power and fuel | 55.43 | 178.92 | (123.49) |
| 4. | Finance Costs | 95.73 | 109.85 | (14.12) |
| 5. | Other Expenses | 104.96 | 248.70 | (143.74) |
| 6. | Depreciation and amortization | 821.60 | 573.48 | 248.12 |
| | Total | 1391.08 | 1702.91 | (311.83) |

Annexure to the Director's Report

It is clear from the above statement that all the expenditure except Depreciation shows a decreasing trend compared to previous year. The Increase in depreciation is due to the change in the useful life of the Assets in compliance to the provisions of the Companies Act, 2013.

4. Internal Controls and systems are reviewed periodically and corrective actions are taken upon requirement.
5. Opportunities and challenges: No Production during the year. During the year major portion of old materials which were lying in stock for long period were sold.
6. Threats: Since the vitrified market enjoys consistent growth and assured returns, companies in the organized and unorganized sector are expected to come up with latest technology, which may result in pressure on the realizations. However, the uniqueness of the products will help us in garnering the Project and Industrial sector which help in overcoming the competition
7. Risks and Concerns:

The company specific risks remain by and large the same as enumerated last year. The Company is consuming LPG which is a petroleum product for firing the tiles. The prices of petroleum

products depend upon international market and subject to volatility. Some of the competitors who have the facilities of natural gas, tax incentives etc. are dominating the market. There may be a threat from some of the larger capacity players, who have varied range of products, effects and colors to dominate market presence.

8. Human Resource & Industrial Relations:

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

9. Cautionary statement:

Statements in this Directors report & management discussion and Analysis describing the company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could impact are rawmaterial availability and its prices, cyclical demand and pricing in the company's principle market, changes in government regulations, tax regimes, economic developments within India and countries in which the company conducts business.

CORPORATE GOVERNANCE REPORT

DIRECTORS' REPORT

Annexure To The Directors Report

Corporate Governance report

The Corporate Governance standards demonstrate inalienable rights vested with various stakeholders and strong commitment to values, ethics and business conduct. Your Company is committed to good Corporate Governance, based on an effective independent Board, separation of supervisory role from the executive management and the constitution of Committees to oversee critical areas thus upholding the standards practically at every sphere ranging from action plan to performance measurement and consumer satisfaction.

Rights of Shareholders

Your Company protects and facilitates shareholders' rights, provides adequate and timely information, opportunity to participate effectively in general meeting and ensure equitable treatment to all shareholders.

Role of stakeholders in Corporate Governance

Your Company recognizes the rights of stakeholders and encourages co-operation between the Company and stakeholders to enable participation in Corporate Governance process.

Disclosures and transparency

Your Company ensures timely and accurate disclosure on all material matters including the financial situation, performance, ownership and governance of the Company.

Board of Directors:-

The Board of Directors of the company shall have optimum combination of Executive and Non-Executive directors.

As on 31st March 2015, the Company has Nine (9) Directors with a Non-Executive chairman. Of the Nine Directors, Seven (7) are Non-Executive Directors with Three (3) of them being Independent Directors, one (1) Nominee Director and one (1) Women Director.

The Non-Executive Directors possess rich and varied experience in different facets of corporate functioning. They play active role in the meetings of the Board. The Board formulates policy decisions so as to lead and control the Company.

During the year under review, Five (5) meetings of the Board of Directors were held. The time gap between any two Board Meetings has not exceeded 120 days.

The Board evaluates the Company's strategic direction, management policies, performance objectives and effectiveness of Corporate Governance practices. Further the Board fulfills the key functions as prescribed under Clause 49 of the Listing Agreement.

The Names and Categories of the Directors on Board, their attendance at Board Meetings held during the Financial Year 2014-15 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, 2015 are given below:

| Name | Category | Number of Board Meetings attended | Whether attended AGM held on 29.09.2014 | No. of Directorships in other Companies | No. of committee Positions held in other Companies | |
|-----------------------------------|--|-----------------------------------|---|---|--|--------|
| | | | | | Chairman | Member |
| Nalinkant Amratlal Rathod | Promoter Chairman & Non Executive Director | 1 | No | 4 | - | - |
| Tribhuvan Simh Rathod | Managing Director | 5 | Yes | 2 | - | - |
| K.Rajendra Prasad (APIDC-Nominee) | Nominee Director (APIDC) | 0 | No | 5 | - | - |
| N.S.Ramachandran | Independent Non Executive-Director | 3 | Yes | 1 | - | - |
| Seetharaman T.R | Independent Non Executive-Director | 5 | No | 1 | - | - |
| G Padmanabhan | Independent Non Executive Director | 2 | No | 1 | - | - |
| N S Mani | Independent Non Executive Director | 5 | Yes | 2 | - | - |
| N Gopala Krishnan | Independent Non Executive Director | 4 | Yes | 1 | - | - |
| Bharathi Rathod | Women Director | 1 | No | 2 | - | - |

The details of Director seeking re-appointment at the ensuing Annual General Meeting have been furnished in the Notice convening the meeting of the shareholders.

The details of shares held by the Directors of the Company in their individual names as on March 31, 2015 are furnished below:

| Name of the Director | No. of equity shares held | Status |
|---------------------------|---------------------------|---------------------------------|
| Nalinkant Amratlal Rathod | 81,26,383 | Non-Executive Promoter Chairman |

Board Meetings held during the year 2014-15

| Date of Meetings | Total no. of Directors | No. of Directors present |
|-------------------|------------------------|--------------------------|
| May 24, 2014 | 9 | 5 |
| August 12, 2014 | 9 | 5 |
| November 10, 2014 | 9 | 6 |
| February 7, 2015 | 9 | 5 |
| March 20, 2015 | 9 | 5 |

Independent Directors

Your Company appointed Independent Directors who are renowned people having expertise/experience in their respective field/profession. None of the Independent Directors are Promoters or related to Promoters. They do not have pecuniary relationship with the Company and further do not hold two per cent or more of the total voting power of the Company.

Every Independent Director, at the first meeting of the Board in which he/she participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he/she meets the criteria of independence as required under Section 149(7) of the Companies Act, 2013.

All Independent Directors maintain their limits of directorships as required under Clause 49 of the Listing Agreement.

Performance evaluation of Directors

The performance evaluation has been done by the entire Board of Directors, except the Director concerned being evaluated. The criteria for performance evaluation are as follows:

| |
|--|
| Role & Accountability |
| <ul style="list-style-type: none"> - Understanding the nature and role of Independent Directors' position. - Understanding of risks associated with the business. - Application of knowledge for rendering advice to Management for resolution of business issues. - Offer constructive challenge to Management strategies and proposals. - Active engagement with the Management and attentiveness to progress of decisions taken. |
| Objectivity |
| <ul style="list-style-type: none"> - Non-partisan appraisal of issues. - Own recommendations given professionally without tending to majority or popular views. |
| Leadership & Initiative |
| <ul style="list-style-type: none"> - Heading Board Sub Committees. - Driving any function or identified initiative based on domain knowledge and experience. |
| Personal attributes |
| <ul style="list-style-type: none"> - Commitment to role & fiduciary responsibilities as a Board member. - Attendance and active participation. - Proactive, strategic and lateral thinking. |

Meeting of Independent Directors

During the year, meeting of Independent Directors was held on 07th February 2015, to review the performance of the Board as a whole on parameters of effectiveness and to assess the quality, quantity and timeliness of flow of information between the management and the Board. Sri. N S Ramachandran, Chairman of the Meeting presented the views of the Independent Directors on matters relating to Board processes and the overall affairs of the Company to the full Board.

Periodic presentations are made at the Board Meetings on business and performance, long term strategy, initiatives and risks involved.

Other Provisions as to Board and Committees

The Board met five(5) times during the year and the time gap between any two meetings did not exceed 120 days.

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.

During the year under review, none of the Directors of the Company was a member of more than 10 specified Committees or Chairman of more than 5 such Committees in companies in which he/she was a Director.

Your Company's Directors' promptly notify any change(s) in the committee positions as and when they take place.

Code of Conduct

The Restile Code of Conduct as adopted by the Board of Directors is applicable to the Directors and Senior Management, including all functional heads.

Pursuant to Clause 49(II) (E) of the Listing Agreement, the Managing Director of the Company confirmed compliance with the Code by all members of the Board and the Senior Management.

Code of Conduct for prohibition of insider trading

Your Company has adopted a Code of Conduct as per Securities and Exchange Board of India (SEBI) (Prohibition of Insider Trading) Regulations, 1992. All Directors, Employees who could have access to the Unpublished Price Sensitive Information of the Company are governed by the Code. During the year under review, there has been due compliance with SEBI (Prohibition of Insider Trading) Regulations, 1992.

Whistle Blower Policy

The Company promotes a favorable environment for employees to have an open access to the Audit Committee, respective Functional Heads, 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.

Audit Committee

The Audit Committee which acts as a link between the management, external and internal auditors and the Board of Directors of the Company is responsible for overseeing the Company's financial reporting process by providing direction to audit function and monitoring the scope and quality of internal and statutory audits.

Composition

The Audit Committee comprises of five members, consisting of Independent Non-Executive Directors. All the members of the Committee have the relevant experience in the field of finance and accounting.

Chairman of the Audit Committee is an Independent Director and he was present for the Annual General Meeting held on 29.09.2014.

Audit Committee meetings are attended by invitation, by the Statutory Auditors, Managing Director and Finance head of the Company.

Meetings and Attendance

The Audit Committee met Four times during the financial year 2014-2015. The attendance record of the Audit Committee members is given below:-

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

Terms of Reference in brief:

Financials

- Review of the quarterly/half yearly/annual financial statements with reference to changes, if any in accounting policies and reasons for the same. Major accounting entries involving estimates based on exercise of judgment by management, adjustments, if any arising out of audit findings.
- Compliance with listing and legal requirements relating to financial statements, qualifications, if any in the draft audit report.

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.

Internal controls and risk management

- Review of internal audit function and discussion on internal audit reports.
- Review of whistle blower mechanism and above all adequacy of internal control systems.
- Review of risk management policies especially enterprise level risk management.

Compliance and other related aspects

- Disclosure of related party transactions and subsequent modifications, if any.
- Review and recommendation of appointment, remuneration and terms of appointment of statutory auditors.

- Review of other services rendered by the statutory auditors.
- Review of the management discussion and analysis of the financial conditions and results of operations, significant related party transactions, management letters issued by statutory auditors, internal audit reports.

The Audit Committee also looks into the matters as are specifically referred to it by the Board of Directors besides looking into the mandatory requirements of the Listing Agreement and provisions of Section 177 of the Companies Act, 2013.

Nomination and Remuneration Committee

In line with the Companies Act, 2013 / Clause 49 of the Listing Agreement requirements, the nomenclature of this Committee has been changed to Nomination and Remuneration Committee.

Composition

The committee was reconstituted on 12th August 2014 due to the change in the category of the Directorship of the existing committee members. The reconstituted committee comprises of

- Sri.N S Ramachandran - Independent Director & Chairman
- Sri. N S Mani - Independent Director & Member
- Sri. N Gopala Krishnan – Independent Director & Member

Terms of reference in brief:

- Formulate Remuneration Policy and a policy on Board Diversity.
- Formulate criteria for evaluation of Directors and the Board.
- To ensure that the Remuneration Policy shall also include the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.
- Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance.
- To ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully; relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

Subsidiary Companies

Your Company does not have any subsidiary companies.

Risk Management

The Company has laid down procedures to inform Board of Directors about the Risk assessment and minimization and has implemented the Risk Management Plan and continuously Monitors its.

Related Party Transactions

Your Company has formulated a Policy on materiality of Related Party Transactions and also dealing with Related Party Transactions.

Omnibus approval was granted by the Audit Committee for transactions entered with related parties for the financial year 2014-15 and the same was reviewed/cleared by the Audit Committee at regular intervals. The necessary disclosures regarding the transactions with related parties are given in the Notes to the financial statements.

DISCLOSURES

i) Disclosure of Accounting Treatment

Your Company has not adopted any alternative accounting treatment prescribed differently from the Accounting Standards.

ii) Remuneration of Directors

Non-executive Directors are entitled to a Sitting Fee for attending each meeting of the Board or any Committee(s) of the Board. Details of payment of Sitting Fee for the year 2014-15 are as follows.

| (Rs.) | |
|-----------------------|------------------|
| Names of the Director | Sitting fees (#) |
| N.S.Ramachandran | 27,000 |
| Seetharaman T.R | 36,000 |
| G Padmanabhan | 18,000 |
| N S Mani | 36,000 |
| N Gopala Krishnan | 36,000 |
| TOTAL | 1,53,000 |

(#) excluding reimbursement of travel and other expenses incurred for the Company's business.

Details of Remuneration to Managing Director for the financial year ended March 31, 2015

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 | 30.00 |

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

iii) Management Discussion and Analysis

Management Discussion and Analysis Report comprising of all information as prescribed under Clause 49 (VIII) (D) of the Listing Agreement is attached to the Directors' Report.

Disclosures have been made by the Senior Management relating to all material, financial and commercial transactions with personal interests, if any. Based on the declarations made, no transaction was in conflict with the interest of the Company.

iv) Shareholders

The details relating to appointment and re-appointment of Directors as required under Clause 49(VIII) (E) of the Listing Agreement is provided in the Notice to the Annual general Meeting.

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 Sri. N S Ramachandran, Chairman of the Committee 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.Seetharaman, and Shri G. Padmanabhan.
- iii. The Committee met 12 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 one investor grievance has been received and subsequently it was solved. The company has replied through the DP agent in respect of 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.

vii) Strictures and penalties

There have been no instances of non-compliance by the Company on any matters related to the capital markets, nor have any penalty/strictures been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on such matters during the last three years.

Your Company has complied with the mandatory requirements and adopted the non-mandatory requirements of the Listing Agreement

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 |
|------|---|---------------------|----------|-----------|
| 2012 | Registered Office the Company at MalkapurVillage,Hatnoora Mandal, Narsapur Taluq, Medak Dist, A.P | September 21, 2012 | Friday | 11.30 A.M |
| 2013 | Registered Office the Company at MalkapurVillage,Hatnoora Mandal, Narsapur Taluq, Medak Dist, A.P | August,10,2013 | Saturday | 12.00 P.M |
| 2014 | Registered Office the Company at MalkapurVillage,Hatnoora Mandal, Narsapur Taluq, Medak Dist, A.P | September, 29, 2014 | Saturday | 11.30 A.M |

The Chairman of the Audit Committee was present at all the above AGMs.

No EGM was held in the last three years except .i.e. on 28rd March 2014.

Special Resolutions have been passed in the previous three Annual General Meetings held in 2012, 2013 and 2014.

For the year 2014-15, no postal ballot was conducted.

Share Capital Audit

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

General Shareholder Information

A) Annual General Meeting

Date: 19th September 2015

Time: 11.30 Am

Venue Registered Office of the Company at

Malkapur Village, Hatnoora Mandal,

Narsapur Taluq, Medak Dist, TG

1st April 2014 to 31st March 2015

12th September 2015 to 19th September 2015

Company's Financial Year

Date of Book Closure

(Inclusive of both days)

Listing on Stock Exchange

Bombay Stock Exchange Ltd

ISIN No

INE298E01022

Stock Code

515085

Registrar and Share Transfer Agent

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 31st March 2015, 976,81,628 Equity shares are under dematerialization, representing 99.39% of the paid up capital.

b) Means of Communication

- i) **Quarterly results:** Results have been published in one leading national (English) business newspaper and in one vernacular (Telugu) newspaper.

ii) **News releases:** Official press releases are sent to Stock Exchanges and the same is hosted on the website of the Company.

iii) **A greener environment - Now and for future.**

The Company's philosophy focuses on making the environment greener for the benefit of posterity. In this regard, your Company requests its shareholders to register / update the e-mail id's for communication purpose thereby contributing to our environment.

c) Stock Market Data

| Month | Highest (Rs.) | Lowest (Rs.) | Month | Highest (Rs.) | Lowest (Rs.) |
|--------------|---------------|--------------|-------------|---------------|--------------|
| April '14 | 6.58 | 4.75 | October'14 | 3.92 | 2.89 |
| May'14 | 6.98 | 5.47 | November'14 | 4.31 | 2.50 |
| June'14 | 6.90 | 5.70 | December'14 | 3.69 | 2.46 |
| July'14 | 5.92 | 4.50 | January'15 | 4.80 | 2.57 |
| August'14 | 4.70 | 3.86 | February'15 | 4.60 | 3.40 |
| September'14 | 4.40 | 3.07 | March'15 | 4.55 | 3.11 |

d) (i) Distribution of Shareholding as on March 31, 2015

| Holding of number of Shares or Debentures | Share/Debenture (Holders) | | Shares/Debentures (Amount) | |
|---|---------------------------|----------------|----------------------------|----------------|
| | Number | % | Rs. | % |
| 1 - 5000 | 23171 | 98.3614 | 7657780 | 0.7791 |
| 5001 - 10000 | 146 | 0.6197 | 1167210 | 0.1187 |
| 10001 - 20000 | 93 | 0.3947 | 1388880 | 0.1413 |
| 20001 - 30000 | 43 | 0.1825 | 1079830 | 0.1098 |
| 30001 - 40000 | 19 | 0.0806 | 684120 | 0.0696 |
| 40001 - 50000 | 24 | 0.1018 | 1128790 | 0.1148 |
| 50001 - 100000 | 25 | 0.1061 | 1738160 | 0.1768 |
| 100001 - Above | 36 | 0.1528 | 967947620 | 98.4895 |
| Total | 23557 | 100.000 | 982792390 | 100.000 |

Details of shares

| Mode | No of Shares | % to paid up Capital |
|-----------|-----------------|----------------------|
| Physical | 595771 | 0.62 |
| NSDL/CDSL | 97681628 | 99.38 |
| | 98277399 | 100.00 |

(ii) Shareholding pattern as on March 31, 2015

| Sl. No. | Category | No. Of shares | % of shareholding |
|---------|----------------------|---------------|-------------------|
| 1 | Promoters | 70722685 | 71.96 |
| 2 | Mutual funds and UTI | 19300 | 0.02 |

| Sl. No. | Category | No. Of shares | % of shareholding |
|---------|---|-----------------|-------------------|
| 3 | Banks, Financial Institution, Insurance companies | 40 | 0.00 |
| 4 | Private Corporate Bodies | 532816 | 0.54 |
| 5 | Indian Public | 8337032 | 8.49 |
| 6 | NRIs/OCBs | 16757512 | 17.05 |
| 7 | Clearing Members | 104 | 0.00 |
| 8 | Foreign Bodies | 1909750 | 1.94 |
| | Total | 98279239 | 100.00 |

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

e) Nomination Facility for Shareholders

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.

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 outside Companies in which he is a director | Chairman/ Member of the Committees of the Board of other Companies in which he is a Director as on 31st March,2015 |
|----------------------|----------------------|--|-----|---|--|
| T R Seetharaman | Chartered Accountant | He has vast experience and expertise in the fields of Finance and Accounting | 58 | 1 | 1 |

Sri. T R Seetharaman, who is seeking Re-appointment, is not relative to the promoters of the company.

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

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 31st March 2015, 976, 81,628 Equity shares are under dematerialization, representing 99.39% of the paid up capital

Your Company confirms that the entire Promoter's holdings were converted into electronic form and the same is in line with the direction issued by SEBI.

The Equity Shares of the Company is regularly traded in BSE Limited.

Compliance with Non-Mandatory Requirements:

1. **The Board:** A separate Office is not maintained for the Non-Executive Chairman of the Company. The Composition of the Board of Directors, Committees of the Board are in line with the provisions of the Listing Agreement, the Companies Act, 2013 and other applicable laws.
2. **Shareholders' Rights:** The Financial performance of the Company on quarterly basis including a summary of significant events are published in English and Local Telugu Newspaper. Hence, this information's are not sent to each household of shareholders individually.
3. **Audit Qualifications:** The Company endeavors to adopt best practices to ensure regime of unqualified financial statements.

Our manufacturing unit is located at:

Malkapur Village, Hatnoora Mandal, Narsapur Taluq, Medak Dist, Telangana.

Address for Correspondence:

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

Code of Conduct

Members of the Board and the Senior Management, shall

- a) Always act in good faith and in the best interests of the Company, its employees, the shareholders, the community and for the protection of the environment.
- b) Adopt the highest standards of personal ethics, integrity, confidentiality and discipline in dealing with all matters relating to the Company.
- c) Apply them diligently and objectively in discharging their responsibilities and contribute to the conduct of the business and the progress of the Company, and not be associated simultaneously with competing organizations either as a Director or in any managerial or advisory capacity, without the prior approval of the Board.
- d) Always adhere and conform to the various statutory and mandatory regulations/guidelines applicable to the operations of the Company avoiding violations or non-conformities.
- e) Not derive personal benefit or undue advantages (financial or otherwise) by virtue of their position or relationship with the Company, and for this purpose
 - i) Shall adopt total transparency in their dealings with the Company.
 - ii) Shall disclose full details of any direct or indirect personal interests in dealings/transactions with the Company.
 - iii) Shall not be party to transactions or decisions involving conflict between their personal interest and the Company's interest.
 - iv) Shall not assign his/her office and any assignment so made shall be void.
 - v) Conduct themselves and their activities outside the Company in such manner as not to adversely affect the image or reputation of the Company.

- f) Inform the Company immediately if there is any personal development (relating to his/her business/professional activities) which could be incompatible with the level and stature of his/her position and responsibility with the Company.
- g) Bring to the attention of the Board, Chairman or the Managing Director as appropriate, any information or development either within the Company (relating to its employees or other stakeholders) or external, which could impact the Company operations and which in the normal course, may not have come to the knowledge of the Board/Chairman or Managing Director.
- h) Always abide by the above Code of Conduct, and shall be accountable to the Board for their actions/violations/default.

In addition to the above, an Independent Director on the Board of the Company shall:

1. exercise his/her responsibilities in a bona fide manner in the interest of the Company;
2. devote sufficient time and attention to his/her professional obligations for informed and balanced decision making;
3. not allow any extraneous considerations that will vitiate his/her exercise of objective independent judgment in the paramount interest of the Company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
4. not abuse his/her position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
5. refrain from any action that would lead to loss of his/her independence;
6. where circumstances arise which make an independent director lose his/her independence, the independent director must immediately inform the Board Accordingly.
7. Assist the Company in implementing the best corporate governance practices.

Code of Conduct for the Senior Management

This is to confirm that for the financial year ended March 31, 2015 all members of the Senior Management have affirmed their adherence to the Code of Conduct adopted by the Company.

Place: Singapore
Date: 24th July, 2015

Tribhuvan Simh Rathod
Managing Director
(DIN 01996833)

ANNEXURE E TO THE DIRECTORS' REPORT

CERTIFICATE ON CORPORATE GOVERNANCE BY MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER OF THE BOARD UNDER CLAUSE 49 OF THE LISTING AGREEMENT:

We, Tribhuvan Simh Rathod, Managing Director and M.Subba Rao, Chief Financial Officer of the Company, hereby certify that:

- a. We have reviewed the Financial Statements for the year 2014-15 prepared and to the best of our 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 our 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. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors, audit committee, deficiencies in the design or operation of internal controls, if any of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We 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 we 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. However during the year there are no such instances.

Place: Singapore
Date: 24th July, 2015

Sd/-
Tribhuvan Simh Rathod
Managing Director
(DIN 01996833)

Sd/-
M.Subba Rao
Chief Financial Officer

ANNEXURE C TO THE DIRECTORS' REPORT

AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENTS

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, 2015 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 conditions of Corporate Governance are the responsibility of the Company's management. Our examination has been limited to procedures and implementation thereof, adopted by the Company for ensuring the said compliance. It is neither an audit nor is this certificate an expression of opinion on the financial statements of the Company.

3. Based on the aforesaid examination and according to the information and explanations given to us, we certify that the Company has complied with the 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

M.S. Murali
Partner
Membership No.26453

July 24, 2015
Singapore

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

| S.No. | Particulars | |
|-------|---|------------------------------|
| 1. | Details of contracts or arrangements or transactions not at arm's length basis | Nil |
| a. | Name(s) of the related party and nature of relationship | Nil |
| b. | Nature of contracts/arrangements/transactions | Nil |
| c. | Duration of the contracts / arrangements/transactions: | Nil |
| d. | Salient terms of the contracts or arrangements or transactions including the value, if any: | Nil |
| e. | Justification for entering into such contracts or arrangements or transactions | Nil |
| f. | Date(s) of approval by the Board | Nil |
| g. | Amount paid as advances, if any | Nil |
| h. | Date on which the special resolution was passed in general meeting as required under first proviso to Section 188 | Nil |
| 2. | Details of material contracts or arrangements or transactions at arm's length basis | Details attached in Annexure |
| a. | Name of the related party and nature of relationship: | |
| b. | Nature of Transaction | |
| c. | Duration of Transaction | |
| d. | Salient terms of the transaction including the value, if any | |
| e. | Date of approval by the board, if Any | |
| f. | Amount paid as advances, if any | Nil |

For and on behalf of the Board

Singapore
24th July, 2015

Sd/-
Tribhuvan Simh Rathod
Managing Director

ANNEXURE

| S.No. | Name of the related party and nature of relationship: | Nature of Transaction | Duration of Transaction | Salient terms of the transaction including the value, if any | Date of approval by the board, if Any |
|--------------|--|------------------------------|--------------------------------|---|--|
| 1 | Bell Granito ceramica Limited | Sales | Continual | Rs.181,28,168/- | 24.05.2014 |
| 2. | Bell Granito ceramica Limited | Purchases | Continual | Rs.10,242/- | 24.05.2014 |
| 3. | Bell Granito ceramica Limited | Others | One Time | Rs.20,000/- | 24.05.2014 |
| 4. | Sologuard Medical Devices (P) Limited | Funds Received | One Time | Rs.350,000/- | 24.05.2014 |

For and on behalf of the Board

**Singapore
24th July, 2015**

**Sd/-
Tribhuvan Simh Rathod
Managing Director**

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

as on the financial year ended on 31.03.2015
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the
Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

| | | | |
|------|---|---|---|
| i) | CIN | : | L26931TG1986PLC006480 |
| ii) | Registration Date | : | 26.05.1986 |
| iii) | Name of the Company | : | RESTILE CERAMICS LIMITED |
| iv) | Category/Sub-Category of the Company | : | Limited by Shares HATNOORA TOBE STRIK |
| v) | Address of the Registered office and Contact Details | : | Malakapur Village, Hatnoor Mandal, Narsapur Taluk, Medak-502296, Telangana |
| vi) | Whether listed company | : | Yes |
| vii) | Name, Address and Contact details of Registrar and Transfer Agent, if any | : | M/s. Cameo Corporate Services Ltd, Subramanian Building”1, Club House Road, Chennai -600 002. |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

| Sl. No. | Name and Description of main products / services | NIC Code of the Product/ service | % to total turnover of the company |
|---------|--|----------------------------------|------------------------------------|
| 1 | Vitrified Tiles | 69079010 | 100% |

III. PARTICULARS OF HOLDING SUBSIDIARY AND ASSOCIATE COMPANIES

| S. No. | Name And Address Of The Company | CIN/GLN | Holding/ Subsidiary/ Associate | % Of Shares Held | Applicable Section |
|--------|---------------------------------|-----------------------|--------------------------------|------------------|--------------------|
| 1 | Sologuard Medical Devices(p)ltd | U33119TN1999PTC041980 | Associate | Nil | |
| 2 | Athreya Finance pvt ltd | U65910KA1996PTC020066 | Associate | Nil | |
| 3 | Bell Granito Ceramica limited | U18907GJ1993PLC018901 | Associate | Nil | |

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

Category-wise Share Holding

| Category of Shareholders | Category of Shareholders | | | No. of Shares held at the beginning of the year | | | % of Change During the Year | |
|--|--------------------------|----------|----------|---|----------|----------|-----------------------------|-------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | | Total |
| A. Promoters | | | | | | | | |
| 1) Indian | | | | | | | | |
| Individual/HUF | -- | -- | -- | -- | 393223 | -- | 393223 | 0.40 |
| Central Government | -- | -- | -- | -- | -- | -- | -- | -- |
| State Government(s) | -- | -- | -- | -- | -- | -- | -- | -- |
| Bodies Corp. | -- | -- | -- | -- | -- | -- | -- | -- |
| Banks / FI | -- | -- | -- | -- | -- | -- | -- | -- |
| Any Other... | -- | -- | -- | -- | -- | -- | -- | -- |
| Sub-Total (A)(1) | -- | -- | -- | -- | 393223 | -- | 393223 | 0.40 |
| 2) Foreign | | | | | | | | |
| NRIs- Individuals | 8126383 | -- | 8126383 | 8.27 | 8126383 | -- | 8126383 | 8.27 |
| Other – Individuals | | | | | -- | -- | -- | -- |
| Bodies Corp. | 62596302 | -- | 62596302 | 63.69 | 62596302 | -- | 62596302 | 63.69 |
| Banks/FI | -- | -- | -- | -- | -- | -- | -- | -- |
| Any Other... | -- | -- | -- | -- | -- | -- | -- | -- |
| Sub-Total (A)(2) | 70722685 | -- | 70722685 | 71.96 | 70722685 | -- | 70722685 | 71.96 |
| Total Shareholding of Promoters(A)=(A1)+(A2) | 70722685 | -- | 70722685 | 71.96 | 71115908 | 0 | 71115908 | 72.36 |
| B. Public Shareholding | | | | | | | | |
| 1. Institutions | -- | -- | -- | -- | -- | -- | -- | -- |
| Mutual Funds | 17500 | 1800 | 19300 | 0.02 | 17500 | 1800 | 19300 | 0.02 |

| | | | | | | | | |
|--|----------|--------|----------|-------|----------|--------|----------|-------|
| Central Government | 100000 | -- | 100000 | 0.10 | 100000 | -- | 100000 | 0.10 |
| State Government(s) | -- | -- | -- | -- | -- | -- | -- | -- |
| Venture Capital Funds | -- | -- | -- | -- | -- | -- | -- | -- |
| Insurance Companies | -- | -- | -- | -- | -- | -- | -- | -- |
| FIs | -- | -- | -- | -- | -- | -- | -- | -- |
| Foreign Venture | -- | -- | -- | -- | -- | -- | -- | -- |
| Others (specify) | -- | 40 | 40 | 0.00 | -- | 40 | 40 | 0.00 |
| Sub-total (B)(1) | 117500 | 1840 | 119340 | 0.12 | 117500 | 1840 | 119340 | 0.12 |
| 2. Non-Institutions | -- | -- | -- | -- | -- | -- | -- | -- |
| Bodies Corp. | 423535 | 9281 | 432816 | 0.44 | 540068 | 9281 | 549349 | 0.56 |
| Indian Overseas | 14335631 | -- | 14335631 | 14.59 | 14335631 | -- | 14335631 | 14.59 |
| Individuals | -- | -- | -- | -- | -- | -- | -- | -- |
| i) Individual shareholders holding nominal share capital upto Rs.1 Lakh | 771912 | 586490 | 1358402 | 1.38 | 502188 | 594970 | 1097158 | 1.12 |
| ii) Individual shareholders holding nominal share capital in excess of Rs.1 Lakh | 6808272 | -- | 6808272 | 6.93 | 6738566 | 0 | 6738566 | 6.86 |
| Others (Specify) | 4502093 | -- | 4502093 | 4.59 | 4362610 | 0 | 4362610 | 4.45 |
| Sub-total (B)(2) | 26841443 | 595771 | 27437214 | 27.93 | 26479063 | 604251 | 27083314 | 27.52 |
| Total Public Shareholding (B)= (B)(1) + (B)(2) | 26958943 | 597571 | 27556514 | 28.04 | 26596563 | 606091 | 27202654 | 27.62 |
| C. Share held by Custodian for GDRs & ADRs | -- | -- | -- | -- | -- | -- | -- | -- |
| Grand Total (A+B+C) | 97681628 | 597611 | 98279239 | 100 | 97712471 | 606091 | 98318562 | 100 |

(ii) Shareholding of Promoters

| Sl. No. | Shareholder's name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | | % of Change During the Year |
|---------|----------------------------|---|----------------------------|---|-------------------------------------|----------------------------|---|----------------------------|-----------------------------|
| | | No. of Shares | % of Shares of the Company | % of Shares pledged encumbered total shares | No. of Shares | % of Shares of the Company | % of Shares pledged encumbered total shares | % of Shares of the Company | |
| 1. | NALINKANT AMPRATLAL RATHOD | 8126383 | 8.27 | Nil | 8126383 | 8.27 | Nil | Nil | Nil |
| 2. | SOLOMED PTE LTD | 62596302 | 63.69 | Nil | 62596302 | 63.69 | Nil | Nil | Nil |
| | TOTAL | 70722685 | 71.96 | Nil | 70722685 | 71.96 | Nil | Nil | Nil |

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

| Sl. No. | Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc); | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---------|---|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | At the beginning of the year | 70722685 | 71.96% | 70722685 | 71.96% |
| 2 | Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc); | Nil | Nil | Nil | Nil |
| 3 | At the End of the year | 70722685 | 71.96% | 70722685 | 71.96% |

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

| Sl. No. | Shareholding at the beginning of the year | Cumulative Shareholding during the year | |
|---------|---|---|----------------------------------|
| | | No. of shares | % of total shares of the company |
| 1 | For Each of the Top 10 Shareholders | LIST ENCLOSED | |
| 2 | At the beginning of the year | | |
| 3 | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc): | | |
| 4 | At the End of the year (or on the date of separation, if separated during the year) | | |

(v) Shareholding of Directors and Key Managerial Personnel:

| Sl. No. | Shareholding at the beginning of the year | Cumulative Shareholding during the year | |
|---------|--|---|----------------------------------|
| | | No. of shares | % of total shares of the company |
| 1 | For Each of the Directors and KMP | LIST ENCLOSED | |
| 2 | At the beginning of the year | 8126383 | 8.27 |
| 3 | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | NA | NA |
| 4 | At the End of the year | 8126383 | 8.27 |

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|--|--------------------|----------|-----------------------|
| Indebtedness at the beginning of the financial year | 173082741 | - | - | 173082741 |
| i) Principal Amount | - | - | - | - |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | 173082741 | - | - | 173082741 |
| Change in Indebtedness during the financial year | - | - | - | - |
| • Addition | - | - | - | - |
| • Reduction | - | - | - | - |
| Net Change | - | - | - | - |
| Indebtedness at the end of the financial year | 173082741 | - | - | 173082741 |
| i) Principal Amount | - | - | - | - |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | 173082741 | - | - | 173082741 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

| Sl. No. | Particulars of Remuneration | Name of MD/WTD/ Manager | | | | Total Amount |
|---------|---|-------------------------|------|------|------|----------------|
| | | ---- | ---- | ---- | ---- | |
| 1. | Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | | | | | Rs.30,00,000/- |
| 2. | Stock Option | | | | | NIL |
| 3. | Sweat Equity | | | | | NIL |
| 4. | Commission - as % of profit - others, specify... | | | | | NIL NIL |
| 5. | Others, please specify | | | | | NIL |
| | Total (A) | | | | | NIL |
| | Ceiling as per the Act | | | | | |

B. Remuneration to other directors:

| Sl. No. | Particulars of Remuneration | Name of Directors | Total Amount |
|---------|---|-------------------|--------------|
| | 1. Independent Directors <ul style="list-style-type: none"> • Fee for attending board committee meetings • Commission • Others, please specify | NIL | |
| | Total (1) | | |
| | 2. Other Non-Executive Directors <ul style="list-style-type: none"> • Fee for attending board committee meetings • Commission • Others, please specify | | |
| | Total (2) | | |
| | Total (B) = (1+2) | | |
| | Total Managerial Remuneration | | |
| | Overall Ceiling as per the Act | | |

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

| Sl. No. | Particulars of Remuneration | Key Managerial Personnel | | | |
|---------|--|--------------------------|-------------------|----------------|----------------|
| | | CEO | Company Secretary | CFO | Total |
| 1. | Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | NIL | NIL | 1839759 | 1839759 |
| 2. | Stock Option | NIL | NIL | NIL | NIL |
| 3. | Sweat Equity | NIL | NIL | NIL | NIL |
| 4. | Commission - as % of profit - others, specify... | NIL | NIL | NIL | NIL |
| 5. | Others, please specify | NIL | NIL | NIL | NIL |
| | Total | NIL | NIL | 1839759 | 1839759 |

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

| Type | Section of the Companies Act | Brief Description | Details of Penalty / Punishment / Compounding fees imposed | Authority [RS / NCLT / COURT] | Appeal made, if any (give Details) |
|----------------------------------|------------------------------|-------------------|--|-------------------------------|------------------------------------|
| COMPANY | | | | | |
| Penalty | | | NIL | | |
| Punishment | | | NIL | | |
| Compounding | | | NIL | | |
| DIRECTORS | | | | | |
| Penalty | | | NIL | | |
| Punishment | | | NIL | | |
| Compounding | | | NIL | | |
| OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | | | NIL | | |
| Punishment | | | NIL | | |
| Compounding | | | NIL | | |

For and on behalf of the Board of Directors

Tribhuvan Simh Rathod
 Managing Director
 DIN: 01996833

N.S. Mani
 Director
 DIN: 02577983

Place: Singapore
 Date: 24th July, 2015

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED March 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

SECRETARIAL AUDIT REPORT OF M/S. RESTILE CERAMICS LIMITED
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2015

To,
The Members,
Restile Ceramics Limited
Malkapur Village,
Hatnoora Mandal
Narsapur Taluk,
Medak District – 500 082

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Restile Ceramics Limited**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the M/s. Restile Ceramics Limited books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **01st April 2014 to 31st March 2015** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. Restile Ceramics Limited for the financial year ended on 01st April 2014 to 31st March 2015 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (During the FY 2014-2015 not applicable to the company)
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (During the FY 2014-2015 not applicable to the company)
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (During the FY 2014-2015 not applicable to the company)
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (During the FY 2014-2015 not applicable to the company)
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (During the FY 2014-2015 not applicable to the company)
- and
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (During the FY 2014-2015 not applicable to the company)
- vi. Further, we have also examined compliance with the applicable clauses of the following:
- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
 - ii. The Listing Agreements entered into by the Company with The Bombay Stock Exchange Limited
- During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreements etc as mentioned above.
- vii. We further report that the Company has, in our opinion, complied with the provisions of the Companies Act, 2013 and the Rules made thereunder as notified by Ministry of Corporate Affairs and the Memorandum and Articles of Association of the Company except, the following.
- a) *During the year Company has not appointed Internal auditor. non-compliance of Section 138 of the Companies Act, 2013. However internal Auditor was appointed w.e.f. 30th May 2015.*
 - b) *During the year Company has not appointed Company Secretary non-compliance of section 203 of Companies Act, 2013. However company secretary is appointed w.e.f 24th July 2015.*
 - c) *During the year Company has not taken Insurance under D & O Policy Non compliance of Section 197(13) of Companies Act 2013*
 - d) *During the year Company has appointed other than company secretary as a compliance officer which is non compliance 47(a) of the Listing Agreement executed with BSE. However Company Secretary is appointed as Compliance Officer w.e.f 24th July 2015.*
- x. We further report that, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

- xi.** We further report that during the audit period the company has does not have any major events/ actions which either directly or indirectly effect the company affairs in pursuance of the above referred laws, rules regulations, guidelines, standards etc.
- xii.** The audit on other laws as may be applicable specifically to the Company is carried out based on the reports of the heads of the Departments of the factories located in Medak District and the compliance reports made by the occupier of the factories submitted to the Board of Directors of the Company. We report that the Company has substantially complied with the provisions of those Acts that are applicable to companies having factory which manufacture of Vitrified tiles, other laws related to maintenance of Factories, Laws related to Human resources including Employees Provident Fund Act, Employees State Insurance Act. Based on the information, explanations and management representation, the Company has substantially complied with the Tax laws and other Acts & laws applicable to the Company except the following
 - a.** *For the Financial year 2014-2015 Company has not received consent from Telangna Pollution Control Board under Environmental Protection Act, 1986.,*

Place: Hyderabad

Date : 24.7.15

For **A S RAMKUMAR & ASSOCIATES**

A S RAMKUMAR

Partner

FCS 8149

CP.9228

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF Restile Ceramics Limited

Report on the Financial Statements

We have audited the accompanying financial statements of RESTILE CERAMICS LIMITED ("the Company") which comprise the Balance Sheet as at 31st March 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Basis for Qualified Opinion

1. *The Company has generated negative operating cash flows, incurred substantial operating losses, significant deterioration in value of assets used to generate cash flows and its loans from bank have been recalled by lender all of which indicate existence of material uncertainty in the Company's ability to continue as a going concern for a reasonable period of time. The attached financial statements do not include any adjustments that might result had the above uncertainties been known.*
2. *The Company's building and plant and equipment are carried in the Balance Sheet at Rs.926.49 lakhs and Rs.5432.70 lakhs respectively. Independent valuation of the assets of the company in financial year 2010-11 had indicated impairment of Building (Rs.522.17 lakhs) and Plant and Machinery (Rs.119.87 lakhs). However, considering the lapse of time and the depreciation being charged on the basis of estimated useful life of assets, the aforesaid impairment in value of assets need to be recomputed. As such, the possible impairment on assets and its effects on statement of Profit & Loss is to be taken as unascertained as on March 31, 2015.*

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, *except for the effect of the matters described in the Basis for qualified opinion paragraph*, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March 2015, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Companies Act, 2013, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company in so far as appears from our examination of those books.
 - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) *Except for the matters described in the Basis of Qualified Opinion paragraph*, in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March 2015, and taken on record by the Board of Directors, none of the directors are disqualified as on 31st March 2015, from being appointed as a director in terms of sub-section (2) of section 164 of the Companies Act, 2013.
 - f) With respect to the matters to be included in the Auditor's Report in accordance with Rule 11 of the companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanation given to us:

- i. The company has, in accordance with the generally accepted accounting practice, disclosed the impact of pending litigations on its financial position in its financial statements - Also Refer Note 28.01 to the financial statements.
- ii. The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For M.S.Krishnaswami & Rajan
Chartered Accountants
Firm Regn No: 01554S

M.S.Murali- Partner
Membership No: 26453
Place: Chennai
Date: May 30, 2015

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

Refer paragraph 1 under 'Report on other Legal and Regulatory Requirements section' of our Report of even date on the accounts of Restile Ceramics Limited for the year ended March 31, 2015.

In our opinion and on the basis of such checks as we considered appropriate, and according to the information and explanations given to us, the nature of the company's business/ activities/ matters specified in clauses (iii),(v), (vi),(x) and (xi) of paragraph 3 of the Company Audit Report Rules 2015 do not apply to the company. Further, in respect of other clauses, on the basis of such checks as we considered appropriate, we report that:

1. In respect of its fixed assets:
 - (a) The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets. The same, however, needs to be updated.
 - (b) The fixed assets are being physically verified 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.
2. (a) The inventories have not been physically verified at the year- end by the management.
 - (b) The question of our commenting on procedures of the said physical verification of the inventory followed by the management therefore does not arise.
 - (c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventory. The question of our commenting on the material discrepancies noticed on physical verification and whether the same have been properly dealt with the books of account does not arise, in view of our observation in (a) above.
3. In our opinion there is an adequate internal control system commensurate with the size of the company and the nature of its business for purchase of fixed assets and inventories, and for sale of goods and services and for payment of expenses. Further, 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.

4. (a) Delays were noticed in depositing undisputed 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 March 31, 2015 for a period of more than six months from the date they became payable are –tax collected/deducted at source Rs.0.20 lakhs , sales Tax /Value added tax Rs.27.37 Lakhs, property tax Rs.2.50 lakhs and professional tax Rs.0.19 lakhs. Out of the above,sales Tax /Value added tax of Rs 4.60 Lakhs have subsequently been paid. We are informed that the delays were caused due to financial constraints.

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

| Name of the Statute | Nature of Dues | Forum where Dispute is Pending | Year to which the demand relates | Amount of Tax Demanded(Rs. Lakhs) |
|---------------------|------------------|---|----------------------------------|---|
| Sales Tax | Kerala Sales Tax | Dy. Commissioner (Appeals) Commercial Tax, Kerala | 2009-2010 | Tax-Rs.2899184 Penalty-Rs.5798368 Total – Rs.8697552 |
| Sales Tax | APVAT | Dy. Commissioner (Appeals) | 2010-2011 | Tax – Rs.3023024 Paid – Rs.378000 Balance Rs.2645024 |
| Sales Tax | APVAT | Dy. Commissioner (Appeals) | 2011-2012 | Tax – Rs.419876 Penalty – Rs.41988 Paid Rs.52500 Balance – Rs.410364 |

(c) The Company is not required to transfer any amount to Investor Education and Protection Fund in accordance with relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under.

5. The accumulated losses of the Company as at March 31, 2015 are more than fifty per cent of its net worth. The Company has incurred cash losses in the financial year ended on that date and in the immediately preceding financial year.

6. As per information and explanation given to us, the bank has called upon the Company to pay back the entire working capital loan of Rs. 409 lakhs and to close the account immediately. There are no dues to financial institutions or debenture holders.

7. Based on the audit procedures performed, we report that no fraud of material significance on the Company or fraud by the Company has been noticed or reported during the year.

For M.S.Krishnaswami & Rajan
Chartered Accountants
Firm regn No: 01554S

M.S.Murali- Partner
Membership No: 26453
Place: Chennai
Date: May 30, 2015

BALANCE SHEET AS AT 31ST MARCH, 2015

| Particulars | Note | As at 31st March, 2015 | As at 31st March, 2014 |
|------------------------------------|------|---------------------------|---------------------------|
| | | Rs In Lakhs | Rs In Lakhs |
| EQUITY AND LIABILITIES | | | |
| Shareholders' funds | | | |
| (a) Share capital | 1 | 9,827.92 | 9,827.92 |
| (b) Reserves and surplus | 2 | (8,154.50) | (7,059.50) |
| | | 1,673.42 | 2,768.42 |
| Non-current liabilities | | | |
| (a) Long-term borrowings | 3 | 1,730.83 | 1,730.83 |
| (b) Deferred tax liabilities (net) | 4 | - | - |
| (c) Other long-term liabilities | 5 | 110.01 | 112.31 |
| (d) Long-term provisions | 6 | 2.56 | 11.24 |
| | | 1,843.40 | 1,854.38 |
| Current liabilities | | | |
| (a) Short-term borrowings | 7 | 1,185.30 | 771.97 |
| (b) Trade payables | 8 | 1,237.23 | 1,420.64 |
| (c) Other current liabilities | 9 | 839.92 | 793.81 |
| (d) Short-term provisions | 10 | 9.07 | 40.20 |
| | | 3,271.52 | 3,026.62 |
| Total | | 6,788.34 | 7,649.42 |
| ASSETS | | | |
| Non-current assets | | | |
| (a) Fixed assets | | | |
| (i) Tangible assets | 11 | 5,652.52 | 6,474.15 |
| (ii) Capital work-in-progress | | 196.13 | 196.13 |
| | | 5,848.65 | 6,670.28 |
| (b) Long-term Investments | 12 | - | - |
| (c) Long-term loans and advances | 13 | 135.97 | 161.37 |
| | | 5,984.62 | 6,831.65 |

| | | | |
|-----------------------------------|----|-----------------|-----------------|
| Current assets | | | |
| (a) Inventories | 14 | 486.20 | 528.31 |
| (b) Trade receivables | 15 | 51.98 | 58.04 |
| (c) Cash and cash equivalents | 16 | 4.44 | 5.38 |
| (d) Short-term loans and advances | 17 | 259.62 | 226.04 |
| (e) Other current assets | 18 | 1.48 | 0.00 |
| | | 803.72 | 817.77 |
| Total | | 6,788.34 | 7,649.42 |

Note

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

As per our Report attached

For and on behalf of the Board

For **M.S. KRISHNASWAMI & RAJAN**
Chartered Accountants
Firm Registration No.01554S

TRIBHUVAN SIMH RATHOD
DIN:01996833
Managing Director

T.R. SEETHARAMAN
DIN:02385221
Director

M.S. MURALI
Partner
Membership No.26453

N.S. MANI
DIN:02577983
Director

M. SUBBARAO
Chief Financial Officer

Place: Chennai
Date: May 30,2015

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

| | Note | As at 31st March, 2015 | As at 31st March, 2014 |
|---|------|---------------------------|---------------------------|
| | | Rs In Lakhs | Rs In Lakhs |
| INCOME | | | |
| Continuing Operations | | | |
| Revenue from operations | 19 | 271.55 | 467.76 |
| Less: Excise duty | | 9.97 | 46.84 |
| Revenue from operations (Net) | | 261.58 | 420.92 |
| Other income | 20 | 34.50 | 7.38 |
| Total revenue (1 + 2) | | 296.08 | 428.30 |
| Expenses | | | |
| (a) Cost of materials consumed | 21 | 138.42 | 115.09 |
| (b) Purchase of traded goods | 22 | 0.09 | - |
| (c) Changes in inventories of finished goods, work-in-progress and stock-in-trade | 23 | 66.11 | 211.79 |
| (d) Employee benefits expense | 24 | 108.74 | 265.08 |
| (e) Finance costs | 25 | 95.73 | 109.85 |
| (f) Depreciation and amortisation expense | 26 | 821.60 | 573.48 |
| (g) Power and Fuel | | 55.43 | 178.92 |
| (h) Other expenses | 27 | 60.41 | 94.62 |
| Total expenses | | 1,346.53 | 1,548.83 |
| Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4) | | (1,050.45) | (1,120.53) |
| Exceptional items | | 33.81 | 154.08 |
| Profit / (Loss) before extraordinary items and tax (5 + 6) | | (1,084.26) | (1,274.61) |
| Extraordinary items | | - | - |
| Profit / (Loss) before tax (7 + 8) | | (1,084.26) | (1,274.61) |
| Tax expense: | | | |
| (a) Current tax expense | | 10.74 | - |
| (b) Deferred tax | | - | - |
| Profit / (Loss) from continuing operations (9 +10) | | (1,095.00) | (1,274.61) |

| | | | |
|---|--|------------|------------|
| Discontinuing Operations | | | |
| Profit / (Loss) from discontinuing operations (before and after tax) | | - | - |
| | | - | - |
| Total Operations | | | |
| Profit / (Loss) for the year (11 + 12) | | (1,095.00) | (1,274.61) |
| Earnings per share (of Rs.10/- each) before and after Extraordinary item | | | |
| - Basic and Diluted from Continuing and Total operations. | | (1.11) | (1.30) |

Note:

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

As per our Report attached

For and on behalf of the Board

For **M.S. KRISHNASWAMI & RAJAN**
Chartered Accountants
Firm Registration No.01554S

TRIBHUVAN SIMH RATHOD
DIN:01996833
Managing Director

T.R. SEETHARAMAN
DIN:02385221
Director

M.S. MURALI
Partner
Membership No.26453

N.S. MANI
DIN:02577983
Director

M. SUBBARAO
Chief Financial Officer

Place: Chennai
Date: May 30,2015

CASH FLOW STATEMENT FOR THE YEAR 2014-15

| Particulars | As at 31st March, 2015 | | As at 31st March, 2014 |
|---|------------------------|-----------------|------------------------|
| | Rs In Lakhs | Rs In Lakhs | Rs In Lakhs |
| A. Cash flow from operating activities | | | |
| Profit / (Loss) before tax | | (1,095.00) | (1,274.61) |
| <i>Adjustments for:</i> | | | |
| Depreciation and amortisation | 821.60 | | 573.48 |
| Finance costs | 95.73 | | 109.85 |
| Unrealised exchange loss/(gain) | (77.21) | | (1.34) |
| unclaimed balances written back | (28.55) | | (6.04) |
| Interest (income) | (4.67) | | - |
| Provision for Bad trade receivables written back on recovery | (0.20) | | (1.81) |
| Provision for Bad trade receivables | 0.68 | 807.37 | 6.77 |
| Operating profit / (loss) before working capital changes | | (287.63) | (593.70) |
| <i>Changes in working capital:</i> | | | |
| Adjustments for (increase) / decrease in operating assets: | | | |
| Inventories | 42.11 | | 217.83 |
| Trade receivables | 82.80 | | 33.97 |
| Short-term loans and advances | (33.58) | | (60.24) |
| Long-term loans and advances | 25.40 | | (54.77) |
| Other current assets | (1.48) | | 5.09 |
| | 115.26 | | 141.88 |
| Adjustments for increase / (decrease) in operating liabilities: | | | |
| Trade payables | (154.86) | | 47.31 |
| Other current liabilities | 46.11 | | 270.92 |
| Other long-term liabilities | (2.30) | | 12.52 |
| Short-term provisions | (31.13) | | 5.24 |
| Long-term provisions | (8.68) | | (21.07) |
| | (150.86) | | 314.92 |
| Cash generated from operations | | (323.23) | (136.90) |
| Net income tax (paid)/refunds | | | |
| Net cash flow from / (used in) operating activities (A) | | (323.23) | (136.90) |

| | | | |
|---|---------------|-------------|---------------|
| B. Cash flow from investing activities | | | |
| Capital expenditure on fixed assets | - | | - |
| Proceeds from sale of fixed assets | - | | - |
| Interest received | 4.67 | | - |
| Net cash flow from / (used in) investing activities (B) | | 4.67 | - |
| C. Cash flow from financing activities | | | |
| Proceeds from short term borrowings | 531.75 | | 240.65 |
| Repayment of short term borrowings | (9.11) | | (2.50) |
| Interest payments | (95.73) | | (109.85) |
| Net cash flow from / (used in) financing activities (C) | 426.91 | | 128.30 |
| Net increase / (decrease) in Cash and cash equivalents (A+B+C) | 108.36 | | (8.60) |
| Cash and cash equivalents at the beginning of the year | (512.44) | | (503.84) |
| Cash and cash equivalents at the end of the year | (404.08) | | (512.44) |
| | (108.36) | - | 8.60 |
| | (0.00) | - | 0.00 |

Note:

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

As per our Report attached

For and on behalf of the Board

For **M.S. KRISHNASWAMI & RAJAN**
Chartered Accountants
Firm Registration No.01554S

TRIBHUVAN SIMH RATHOD
DIN:01996833
Managing Director

T.R. SEETHARAMAN
DIN:02385221
Director

M.S. MURALI
Partner
Membership No.26453

N.S. MANI
DIN:02577983
Director

M. SUBBARAO
Chief Financial Officer

Place: Chennai
Date: May 30,2015

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 1: Share capital

| Particulars | As at 31st March, 2015 | As at 31st March, 2014 |
|---|---------------------------|---------------------------|
| | Rs In Lakhs | 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 |
| Total | 9,827.92 | 9,827.92 |

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

| Particulars | As at 31 March, 2015 | | As at 31 March, 2014 | |
|--------------------------|----------------------|----------|----------------------|----------|
| | No of Equity Shares | Amount | No of Equity Shares | Amount |
| 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 | |
|---------------------------------|--|------------|
| | 2015 | 2014 |
| 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, 2013.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 2: Reserves and surplus

| Particulars | As at 31st March, 2015 | As at 31st March, 2014 |
|---|---------------------------|---------------------------|
| | Rs In Lakhs | Rs In Lakhs |
| (a) Capital Reserve | | |
| Opening balance | 33.37 | 33.37 |
| Add: Additions during the year | - | - |
| Less: Utilised / transferred during the year | - | - |
| Closing balance | 33.37 | 33.37 |
| (b) Central Subsidy from Government of India | | |
| Opening balance | 12.75 | 12.75 |
| Add: Additions during the year | - | - |
| Less: Utilised during the year | - | - |
| Closing balance | 12.75 | 12.75 |
| (c) Capital Reduction Reserve | | |
| Opening balance | 754.44 | 754.44 |
| Add: Additions / transfers during the year | - | - |
| Less: Utilisations / transfers during the year | - | - |
| Closing balance | 754.44 | 754.44 |
| (d) Surplus / (Deficit) in Statement of Profit and Loss | | |
| Opening balance | (7,860.06) | (6,585.45) |
| Add: Profit / (Loss) for the year | (1,095.00) | (1,274.61) |
| Closing balance | (8,955.06) | (7,860.06) |
| Total | (8,154.50) | (7,059.50) |

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

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

Note 3: Long-term borrowings

| Particulars | As at 31st March, 2015 | As at 31st March, 2014 |
|---------------------|------------------------|------------------------|
| | Rs In Lakhs | Rs In Lakhs |
| Secured | | |
| Deep Discount Bonds | 1,730.83 | 1,730.83 |
| Total | 1,730.83 | 1,730.83 |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- 3.1 Deep Discount Bonds represents 5,37,521 bonds in the name of Sologuard medical Devices pvt ltd for a discounted price of Rs. 322/-. The said bonds mature on April 1, 2025. Since the bonds are redeemable at the issue price up to April 1, 2015 no discount is recognized in the financial statements up to that date.
- 3.2. The Deep Discount Bonds are to be 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.

Note 4: Deferred tax Liabilities(net)

| Particulars | As at 31st March, 2015 | As at 31st March, 2014 |
|---|------------------------|------------------------|
| | Rs In Lakhs | Rs In Lakhs |
| Composition of net deferred tax liability | | |
| Deferred tax liabilities | | |
| - Depreciation | 614.64 | 686.98 |
| Deferred tax assets | | |
| - Unabsorbed depreciation | 614.64 | 686.98 |
| | - | - |

- 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 31st March, 2015 | As at 31st March, 2014 |
|---|------------------------|------------------------|
| | Rs In Lakhs | Rs In Lakhs |
| (a) Trade Payables (including Acceptance) | | |
| (i) Micro,small and Medium Enterprises (Refer Note. 28.13) | - | - |
| (ii) Others | | |
| (b) Others: | | |
| (a) Trade / security deposits received from dealers | 110.01 | 112.31 |
| Total | 110.01 | 112.31 |

Note 6: Long-term provisions

| Particulars | As at 31st March, 2015 | As at 31st March, 2014 |
|--|------------------------|------------------------|
| | Rs In Lakhs | Rs In Lakhs |
| Provision for employee benefits: | | |
| (i) Provision for compensated absences | 0.40 | 11.24 |
| (ii) Provision for gratuity | 2.16 | - |
| Total | 2.56 | 11.24 |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

6.1 Details of Long-term Provisions

| Particulars | Opening | Addition/(Deletion) | Closing |
|--------------------------|---------|---------------------|---------|
| (i) Compensated Absences | 11.24 | (10.84) | 0.40 |
| (ii) Gratuity | - | 2.16 | 2.16 |

Note 7: Short-term borrowings

| Particulars | As at 31st March, 2015 | As at 31st March, 2014 |
|--|------------------------|------------------------|
| | Rs In Lakhs | Rs In Lakhs |
| Loans repayable on demand | | |
| -From banks | | |
| Secured | 408.51 | 508.89 |
| Unsecured | - | 8.93 |
| | 408.51 | 517.82 |
| Interest free loan from related patry, unsecured | | |
| - From Managing Director | 542.14 | 16.00 |
| - From other companies | 234.65 | 238.15 |
| Total | 1,185.30 | 771.97 |

7.1 Details of security for the secured short-term borrowings:

| Particulars | Nature of security | As at 31 March, 2015 | As at 31 March, 2014 |
|---------------------------------------|--|----------------------|----------------------|
| | | Rs In Lakhs | 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. | 408.51 | 508.89 |
| Total - from banks | | 408.51 | 508.89 |

7.3 The Loans from Banks carry interest of Prime Lending Rate(PLR) plus a rate of interest applicable to the Company based on norms,which varies depending upon “credit rating” by the lender and external agency.

7.4 The company has defaulted in repayment of cash credit

| Particulars | As at 31 March, 2015 | | As at 31 March, 2014 | |
|---------------------------------------|----------------------|-------------|----------------------|-------------|
| | Period of demand | Rs In Lakhs | Period of demand | Rs In Lakhs |
| Loans repayable on demand from banks: | | | | |
| Cash Credit -State Bank of India | 28-Feb-14 | 408.51 | 28-Feb-14 | 508.89 |
| | | 408.51 | | 508.89 |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 8: Trade payables

| Particulars | As at 31st March, 2015 | As at 31st March, 2014 |
|--|------------------------|------------------------|
| | Rs In Lakhs | Rs In Lakhs |
| Trade payables (including Acceptances) | | |
| (i) Micro, Small and Medium enterprises [Refer Note. 28.09] | - | - |
| (ii) Others | 1,237.23 | 1,420.64 |
| Total | 1,237.23 | 1,420.64 |

Note 9: Other current liabilities

| Particulars | As at 31st March, 2015 | As at 31st March, 2014 |
|--|------------------------|------------------------|
| | Rs In Lakhs | Rs In Lakhs |
| “(a) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, etc) VAT, Service Tax, etc.) “ | 59.53 | 135.03 |
| (b) Payables on purchase of fixed assets | - | 9.16 |
| (c) Advances from customers | 520.62 | 448.92 |
| (d) Dues to employees | 259.63 | 175.83 |
| (e) Others | 0.14 | 24.87 |
| Total | 839.92 | 793.81 |

Note 10: Short-term provisions

| Particulars | As at 31st March, 2015 | As at 31st March, 2014 |
|--|------------------------|------------------------|
| | Rs In Lakhs | Rs In Lakhs |
| (a) Provision for employee benefits: | | |
| (i) Provision for compensated absences | 0.12 | 26.97 |
| (ii) Provision for gratuity | 8.95 | 13.23 |
| Total | 9.07 | 40.20 |

10.1 Details of Short-term Provisions

| Particulars | Opening | Addition/(Deletion) | Closing |
|--------------------------|---------|---------------------|---------|
| (i) Compensated Absences | 26.97 | (26.85) | 0.12 |
| (ii) Gratuity | 13.23 | (4.28) | 8.95 |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 11.: Fixed assets

| Sl. No. | Tangible assets | Gross block | | | | Accumulated depreciation and impairment | | | | Written Down Value | |
|---------|--------------------------|--|--|--------------------------|---|--|--|---|---|---|----------|
| | | "Balance as at 1 April, 2014" Rs In Lakhs | Additions/ Adjustments Rs In Lakhs | Disposals Rs In Lakhs | "Balance as at 31 March, 2015" Rs In Lakhs | "Balance as at 1 April, 2014" Rs In Lakhs | Depreciation /amortisation expense for the year Rs In Lakhs | Eliminated on disposal of assets/ adjustments Rs In Lakhs | "Balance as at 31 Mar, 2015" Rs In Lakhs | "Balance as at 31 Mar, 2014" Rs In Lakhs | |
| 1 | Land | | | | | | | | | | |
| | Freehold | 65.11 | | | 65.11 | | | | | 65.11 | 65.11 |
| 2 | Buildings | | | | | | | | | | |
| | Own use | 1,243.53 | | | 1,243.53 | 38.64 | | 355.69 | | 887.84 | 926.49 |
| 3 | Plant and Equipment | | | | | | | | | | |
| | Owned | 10004.31 | | | 10004.31 | 744.16 | | 5,315.78 | | 4,688.53 | 5,432.70 |
| 4 | Furniture and Fixtures | | | | | | | | | | |
| | Owned | 68.27 | | | 68.27 | 15.92 | | 59.89 | | 8.38 | 24.30 |
| 5 | Vehicles | | | | | | | | | | |
| | Owned | 42.12 | | | 42.12 | 7.34 | | 40.20 | | 1.92 | 9.26 |
| 6 | Office equipment | | | | | | | | | | |
| | Owned | 75.49 | | | 75.49 | 15.54 | | 74.75 | | 0.74 | 16.29 |
| 7 | Others | | | | | | | | | | |
| | Owned | 4.40 | | | 4.40 | | | 4.40 | | - | - |
| | Total | 11,503.23 | - | - | 11,503.23 | 821.60 | - | 5,850.71 | - | 5,652.52 | 6,474.15 |
| | Previous year | 11,503.23 | - | - | 11,503.23 | 573.48 | - | 5,029.09 | - | 6,474.14 | 7,047.61 |
| | Capital Work in Progress | | | | | | | | | | 196.13 |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 12: Long -Term Investments

| Particulars | As at 31st March, 2015 | As at 31st March, 2014 |
|---|---------------------------|---------------------------|
| | Rs In Lakhs | Rs In Lakhs |
| Trade - Investment in Unquoted equity shares of subsidiary 9,900 (As at 31 March, 2014: 9,900) shares of Rs.10 each fully paid up in Restile Marketing Private Ltd | - | - |
| Less: Provision for diminution in value of Investments | - | - |
| Total | - | - |

12.1 Procedures relating to windingup of Restile Marketing Private Ltd under Sec.560 of the Companies Act,1956 has been complied with. Accordingly consolidated financial statements and details under section 129 of the Act, are not furnished.

Note 13: Long-term loans and advances

| Particulars | As at 31st March, 2015 | As at 31st March, 2014 |
|---|------------------------|------------------------|
| | Rs In Lakhs | Rs In Lakhs |
| (a) Capital Advance - Land | 4.00 | - |
| (b) Security deposits (including Electricity Deposit) | | |
| Unsecured, considered good | 131.97 | 161.37 |
| Unsecured, considered Doubtful | 2.08 | 2.08 |
| Less:Provision | (2.08) | (2.08) |
| Total | 135.97 | 161.37 |

Note 14: Inventories

| Particulars | As at 31st March, 2015 | As at 31st March, 2014 |
|-----------------------|------------------------|------------------------|
| | Rs In Lakhs | Rs In Lakhs |
| (a) Raw materials | 98.58 | 73.99 |
| (b) Work-in-progress | 30.18 | 29.17 |
| (c) Finished goods | 197.07 | 264.78 |
| (d) Stores and spares | 160.37 | 160.37 |
| Total | 486.20 | 528.31 |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 15: Trade receivables

| Particulars | As at 31st March, 2015 | As at 31st March, 2014 |
|---|------------------------|------------------------|
| | Rs In Lakhs | Rs In Lakhs |
| Trade receivables outstanding for a period exceeding six months from the date they were due for payment | | |
| Unsecured, considered good | 51.80 | 44.28 |
| Doubtful | 7.28 | 6.77 |
| | 59.08 | 51.05 |
| Less: Provision for doubtful trade receivables | (7.28) | (6.77) |
| | 51.80 | 44.28 |
| Other Trade receivables | | |
| Unsecured, considered good | 0.18 | 13.76 |
| Total | 51.98 | 58.04 |

Note 16: Cash and cash equivalents

| Particulars | As at 31st March, 2015 | As at 31st March, 2014 |
|-------------------------|------------------------|------------------------|
| | Rs In Lakhs | Rs In Lakhs |
| (a) Cash on hand | 3.78 | 1.26 |
| (b) Balances with banks | | |
| In current accounts | 0.66 | 4.12 |
| Total | 4.44 | 5.38 |

Note 17: Short-term loans and advances

| Particulars | As at 31st March, 2015 | As at 31st March, 2014 |
|--|------------------------|------------------------|
| | Rs In Lakhs | Rs In Lakhs |
| (a) Loans and advances to employees | | |
| Unsecured, considered good | 4.72 | 2.97 |
| (b) Prepaid Expenses | 0.44 | 0.40 |
| (c) Balances with government authorities | | |
| Unsecured, considered good | | |
| (i) CENVAT credit receivable | 123.58 | 126.83 |
| (ii) Service Tax credit receivable | 48.09 | 42.66 |
| | 176.83 | 172.86 |
| (d) Refund of income tax recoverable | 5.66 | 18.25 |
| (e) Others | | |
| Unsecured, considered good - | | |
| Advance to suppliers | 77.13 | 34.93 |
| Total | 259.62 | 226.04 |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 18: Other current assets

| Particulars | As at 31st March, 2015 | As at 31st March, 2014 |
|------------------------------|------------------------|------------------------|
| | Rs In Lakhs | Rs In Lakhs |
| Accruals | | |
| Interest accrued on deposits | 1.48 | - |
| Total | 1.48 | - |

Note 19: Revenue from Operations

| Particulars | As at 31st March, 2015 | As at 31st March, 2014 |
|-----------------------------|------------------------|------------------------|
| | Rs In Lakhs | Rs In Lakhs |
| (a) Sale of Products | | |
| Virtrified Tiles | 77.21 | 443.58 |
| Feldspar and Quartz lumps | 135.23 | 16.00 |
| (b) Other Operating Revenue | | |
| Scrap Sales | 16.74 | 8.18 |
| Others-Spares | 42.37 | - |
| Total | 271.55 | 467.76 |

Note 20: Other income

| Particulars | As at 31st March, 2015 | As at 31st March, 2014 |
|---|------------------------|------------------------|
| | Rs In Lakhs | Rs In Lakhs |
| (a) Interest income | 4.67 | - |
| (b) Net gain on foreign currency transactions and translation | 0.52 | 1.34 |
| (c) Unclaimed balances written back | 28.55 | 6.04 |
| (d) Other Income | 0.76 | - |
| Total | 34.50 | 7.38 |

Note 21: Cost of Raw Materials consumed

| Particulars | As at 31st March, 2015 | As at 31st March, 2014 |
|---------------------------|------------------------|------------------------|
| | Rs In Lakhs | Rs In Lakhs |
| Opening stock | 234.36 | 225.23 |
| Add: Purchases | 163.01 | 124.22 |
| | 397.37 | 349.45 |
| Less: Closing stock | 258.95 | 234.36 |
| Cost of material consumed | 138.42 | 115.09 |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

21.1 Cost of Rawmaterials consumed comprise;

| Sl. No. | Particulars | UOM | 2015 | | 2014 | |
|---------|---------------------------------|--------|-----------|---------------|-----------|---------------|
| | | | Quantity | Value Rs Lacs | Quantity | Value Rs Lacs |
| (i) | Ball Clay/Fledspar/ Quartz etc. | Tonnes | 15,561.50 | 50.36 | 1,240.410 | 9.46 |
| (ii) | Zirconium sillicate/ colour | Tonnes | - | - | 0.14 | 10.43 |
| (iii) | Ceramic Mixture | Tonnes | 1859.900 | 84.06 | 2,106.370 | 95.20 |
| (v) | Others | Tonnes | - | 4.00 | - | - |
| | | | | 138.42 | | 115.09 |

21.2 Of the above consumption indogenous items constitute 100% (2014: 100%)

Note 22: Purchase of Traded goods

| Particulars | As at 31st March, 2015 | As at 31st March, 2014 |
|--|------------------------|------------------------|
| | Rs | Rs |
| Unglazed fully vitrified ceramic Tiles | 0.09 | - |
| | 0.09 | - |

Note 23: Changes in inventories of finished goods and work-in-progress

| Particulars | As at 31st March, 2015 | As at 31st March, 2014 |
|---|------------------------|------------------------|
| | Rs In Lakhs | Rs In Lakhs |
| Inventories at the end of the year: | | |
| Finished goods | 197.07 | 264.78 |
| Work-in-progress | 30.18 | 29.17 |
| | 227.25 | 293.95 |
| Inventories at the beginning of the year: | | |
| Finished goods | 264.79 | 476.50 |
| Work-in-progress | 29.17 | 44.41 |
| | 293.96 | 520.91 |
| Excise duty on Movement in Finished goods | (0.60) | (15.17) |
| Net (increase) / decrease | 66.11 | 211.79 |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 24: Employee benefits expense

| Particulars | As at 31st March, 2015 | As at 31st March, 2014 |
|--|------------------------|------------------------|
| | Rs In Lakhs | Rs In Lakhs |
| Salaries, Wages and Bonus | 94.62 | 216.96 |
| Contributions to provident and other funds | 3.74 | 14.11 |
| Gratuity | 7.94 | 22.53 |
| Staff welfare expenses | 2.44 | 11.48 |
| Total | 108.74 | 265.08 |

Note 25: Finance costs

| | As at 31st March, 2015 | As at 31st March, 2014 |
|--|------------------------|------------------------|
| Interest expense on: | | |
| (i) Working Capital | 84.90 | 90.43 |
| (ii) Others - Bank Charges | 3.09 | 4.32 |
| (iii) Delayed remittance of duties/taxes etc | 7.74 | 15.10 |
| Total | 95.73 | 109.85 |

Note 26: Depreciation and Amortisation Expense

| Tangible assets | As at 31st March, 2015 | As at 31st March, 2014 |
|----------------------------|------------------------|------------------------|
| | Rs In Lakhs | Rs In Lakhs |
| (a) Buildings | | |
| Own use | 38.64 | 40.69 |
| (b) Plant and Equipment | | |
| Owned | 744.16 | 518.55 |
| (c) Furniture and Fixtures | | |
| Owned | 15.92 | 4.32 |
| (d) Vehicles | | |
| Owned | 7.34 | 4.00 |
| (e) Office equipment | | |
| Owned | 15.54 | 5.92 |
| Total | 821.60 | 573.48 |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 27: Other expenses

| Particulars | As at 31st March, 2015 | As at 31st March, 2014 |
|--|------------------------|------------------------|
| | Rs In Lakhs | Rs In Lakhs |
| Consumption of stores and spare parts | - | 11.43 |
| Consumption of packing materials | - | 7.04 |
| Raw Material Procurement expenses | - | 32.18 |
| Rent | 0.64 | 2.17 |
| Repairs and maintenance - Buildings | 0.04 | - |
| Repairs and maintenance - Machinery | 0.86 | 1.28 |
| Repairs and maintenance - Others | 2.43 | 2.25 |
| Insurance | 1.39 | 1.36 |
| Rates and taxes | 13.82 | 15.44 |
| Rates and taxes - provision written back | - | (28.84) |
| Communication | 1.58 | 2.30 |
| Travelling and conveyance | - | 2.48 |
| Freight and forwarding | - | 6.63 |
| Sales commission | 0.58 | 1.15 |
| Sales discount | - | 2.45 |
| Business promotion | 4.40 | 1.33 |
| Legal and professional | 10.77 | 6.77 |
| Payments to auditors | 4.00 | 4.00 |
| Provision for Bad trade receivables written back on recovery | 0.68 | (1.81) |
| Provision for Bad trade receivables | (0.20) | 6.77 |
| Directors Sitting Fees | 1.83 | 3.14 |
| Sitting fees expenses | 0.18 | - |
| Vehicle expenses | 3.97 | 5.44 |
| Security Charges | - | 0.01 |
| Electricity charges | 0.20 | 0.41 |
| Miscellaneous expenses | 13.24 | 9.24 |
| Total | 60.41 | 94.62 |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

27.1 Payments to the auditors comprises:

| Particulars | As at 31st March, 2015 | As at 31st March, 2014 |
|----------------------------|------------------------|------------------------|
| | Rs In Lakhs | Rs In Lakhs |
| a. Towards Statutory Audit | 3.50 | 3.50 |
| b. Towards Tax Audit | 0.50 | 0.50 |
| Total | 4.00 | 4.00 |

27.2 Payments to Directors Sitting Fees:

| Particulars | As at 31st March, 2015 | As at 31st March, 2014 |
|---------------------------------------|------------------------|------------------------|
| | Rs In Lakhs | Rs In Lakhs |
| (a) Board Meeting expenses | | |
| Mr.T.R.Seetharaman | 0.28 | 0.57 |
| Mr.N.S.Ramachandran | 0.21 | 0.35 |
| Mr.G.Padmanabhan | 0.14 | 0.57 |
| Mr.N.Gopalakrishnan | 0.28 | 0.44 |
| Mr. N.S.Mani | 0.28 | 0.57 |
| (b) Audit Committee expenses | | |
| Mr.T.R.Seetharaman | 0.08 | 0.08 |
| Mr.N.S.Ramachandran | 0.06 | 0.08 |
| Mr.G.Padmanabhan | 0.04 | 0.08 |
| Mr.N.Gopalakrishnan | 0.08 | 0.06 |
| Mr. N.S Mani | 0.08 | 0.08 |
| (c) Out of Pocket expenses | | |
| Mr.T.R.Seetharaman | 0.04 | 0.05 |
| Mr.N.S.Ramachandran | 0.03 | 0.04 |
| Mr.G.Padmanabhan | 0.02 | 0.05 |
| Mr.N.Gopalakrishnan | 0.04 | 0.04 |
| Mr. N.S Mani | 0.04 | 0.05 |
| (d) Share Transfer committee expenses | | |
| Mr.N.S.Ramachandran | 0.13 | 0.03 |
| | 1.83 | 3.14 |

STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

1. Basis of accounting and preparation of financial statements

- 1.1** The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 (“the 2013 Act”)/ Companies Act, 1956 (“the 1956 Act”), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention except for certain categories of fixed assets that are carried at re-valued amounts. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.
- 1.2** All assets and liabilities have been classified as current or non-current as per the Company’s normal operating cycle and other criteria set out in the revised schedule III to the 2013 Act based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has determined its operating cycle as twelve months for the purpose of current - noncurrent classification of assets and liabilities.

2. Use of estimates

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

3. Tangible Fixed assets and depreciation

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

Assets are depreciated on straight line basis, over their estimated useful life as below.

- a) Assets subject to impairment, on the asset’s revised carrying amount, over its remaining useful life.
- b) Other assets over the estimated useful life prescribed in Schedule II to the Companies Act, 2013.

4. Investments

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

5. Inventories

Inventories are valued at lower of cost and net realisable value; cost being ascertained on the following basis:

Stores, spares, consumable tools, and raw materials: on weighted average cost basis.

Work-in-progress, finished goods: under absorption costing method with the cost of incomplete

Work at the end of the year, being estimated.

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

Obsolete / slow moving inventories are adequately provided for.

6. Foreign currency transactions and derivatives

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

7. Amortization of deferred expenditure

Expenditure incurred on raising capital and other preliminary expenses are amortised over a period of five years. All identifiable amounts spent on Brand Building resulting in long term benefits are amortized over the period the benefit is expected to 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 determined at each balance sheet date using the projected unit credit method, and the gains and losses are recognised in revenue.

11. Deferred tax

- (a) Deferred tax is recognized on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversing in one or more subsequent periods.
- (b) Deferred tax assets on unabsorbed depreciation and carry forward of losses are recognized only to the extent there is a virtual certainty of its realization.

12. Provisions and contingencies

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

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

As per our Report attached

For and on behalf of the Board

For M.S. KRISHNASWAMI & RAJAN

Chartered Accountants

Firm Registration No.01554S

TRIBHUVAN SIMH RATHOD – Managing Director

TR SEETHARAMAN - Director

M S MURALI

Partner

Membership No: 26453

Place: Chennai

Date: 30.5.15

RESTILE CERAMICS LIMITED

Registered office: Malkapur Village, Hatnoora mandal, Narsapur Taluk, Medak Dist- 503 296, Telangana
CIN: L26931TG1986PLC006480, Email:restile@accountscare.com Tel: 91+8458-288772

ATTENDENCE SLIP

I/We hereby record my/our presence at the 29th Annual general meeting of the company on Saturday , September 19th 2015 at 11.30 A.M at Malkapur Village, Hatnoora Mandal, Narsapur Taluk, Medak Dist – 502296.

Folio No/DPID – Client ID: _____

Full Name of the Shareholder in Block Letters: _____

No of Shares Held: _____

Name of Proxy (if any) in Block Letters: _____

Signature of the Shareholder(s)

Note:

1. Shareholder/Proxy holder wishing to attend the meeting must bring the Attendance Slip/Proxy form as the case may be to the meeting and handover at the entrance duly signed.
2. Electronic copy of the Annual Report 2014-15 and notice of the Annual general meeting (AGM) along with Attendance Slip and Proxy form is being sent to all the members whose email address is registered with the Company/Depository participant unless any member has requested for hard copy of the same. Members receiving electronic copy and attending AGM can print copy of this Attendance Slip.
3. Physical copy of the Annual Report as 2014-15 and notice of the Annual general meeting (AGM) along with Attend-ance Slip and Proxy form is being sent in the permitted mode(s) to all the members whose email is not registered (or) have requested for a hard copy.

RESTILE CERAMICS LIMITED

Registered office: Malkapur Village, Hatnoora mandal, Narsapur Taluq, Medak Dist- 503 296, Telangana
CIN: L26931TG1986PLC006480, Email:restile@accountscare.com Tel: 91+8458-288772

Form No. MGT-11 PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s): _____

Registered address: _____

E-mail ID: _____ Folio No./DPID and Client ID: _____

I/We, being the Member(s) of _____ shares of the above named Company, hereby appoint

1. Name: _____ E-mail ID: _____

Address: _____

Signature: , or failing him/her

2. Name: _____ E-mail ID: _____

Address: _____

Signature:

as my/our proxy to attend and vote, in case of a poll, for me/us and on my/our behalf at the 29th Annual General Meeting of the Company, to be held on 19th September 2015 at the Registered Office of the Company and at any adjournment thereof in respect of such resolutions and in such manner as are indicated below:

| Reso. No. | Description | For* | Against* |
|-----------|---|--------------------------|--------------------------|
| 1. | Adoption of annual Accounts and Reports thereon for the financial year ended 31st March 2015. | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. | To appoint a Director in place of Sri. Tenkasi Ramanarayanan Seetharaman (DIN: 02385221) who retires by rotation and is eligible for reappointment. | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. | To appoint Auditors and fix their remuneration. | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. | Authority to borrow in excess of the paid up capital and reserves | <input type="checkbox"/> | <input type="checkbox"/> |

Notes:

- Please put a 'X' in the Box in the appropriate column against the respective resolutions. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- A Proxy need not be a Member of the Company. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as proxy on behalf of not more than fifty Members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as proxy for any other Member
- This form of Proxy, to be effective, should be deposited at the Registered Office of the Company Malkapur Village, Hatnoora mandal, Narsapur Taluk, Medak District – 502 296, Telangana not later than FORTY-EIGHT HOURS before the commencement of the aforesaid meeting.

Dear Shareholder,

Sub: Green Initiative in Corporate Governance

The Ministry of Corporate Affairs has taken a “Green Initiative in Corporate Governance” by allowing paperless compliance by companies through electronics made. In accordance with the recent circular No.17/2011 dated 21.04.2011 and circular No 18/2011 dated 29.04.2011 issued by the Ministry, Companies can now send various notices and documents including annual report, to its shareholders through electronic mode to the registered e-mail addresses of shareholders. It is a welcome move for the society at large as this will reduce paper consumption to great extent and allow share holders to contribute towards a Greener Environment. This is a golden opportunity for every shareholder of Restile Ceramics Limited to contribute to the corporate Social Responsibility initiative of the Company.

We therefore invite all our shareholders to contribute to the cause by filling up the form given below and send it back to our registry, Cameo Corporate Services Ltd.

Let’s be part of this ‘Green Initiative’

Please note that as a member of the company you will be entitled to receive all such communication in physical form, upon request.

E-COMMUNICATION REGISTRATION FORM

(In items of circular no.17/2011 dated 21.04.2011 issued by the Ministry of Corporate Affairs)

- Folio No. /DPID &Client ID :
- Name of 1st Registered Holder :
- Name of joint Holder(s) :
- Registered Address :
- E mail ID (to be registered) :

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

Date:.....

Signature.....

Note:

Shareholder(s) are requested to keep the company informed as and when there is any change in the e-mail address.

Registrars & Share Transfer Agents

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

All Correspondence may be addressed to them

If undelivered Please return to:



RESTILE CERAMICS LTD

1-10-177, VARUN TOWERS, 5TH FLOOR,
OPP.HYDERABAD PUBLIC SCHOOL,
BEGUMPET, HYDERABAD – 500 016