

Dated 1st September 2020

Department of Corporate Services
Bombay Stock Exchange Limited
1st Floor, Rotunda Building,
B.S.Marg, Fort,
Mumbai - 400 001

Kind Attn: The General Manager

Dear Sir,

Sub: Submission of Annual Report for FY 2019-20 – reg.

Ref : Reg. 34 (1) of SEBI (LODR) Regulations, 2015.

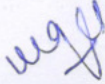
Scrip Code: 515085

Please find enclosed Annual Report of the Company for the Financial Year 2019 -20 in accordance with Reg. 34(1) of SEBI (LODR) Regulations, 2015.

Request you to take the same on record.

Thanking you,

for Restile Ceramics Limited



Authorised signatory

Encl : As above

RESTILE CERAMICS LIMITED

Regd. Office : 204, Sakar Complex, Opp. ABS Tower, Vaccine Crossing, Old Padra Road, Vadodara, Gujarat - 390015, India.
CIN : L26931GJ1986PLC102350

Branch Office : D.No.1-10-77, 5th Floor, Varun Towers, Opp. Hyderabad Public School, Begumpet, Hyderabad - 500 016.
E-mail : restile@accountscare.com, works@restile.com, Website : www.restile.com

■ Granamite ■ Mirrorstone ■ PearlRock ■ MarboGranit ■ Impacta ■ Gripmax



Restile Ceramics Limited

34th Annual Report 2019-20

BOARD OF DIRECTORS

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

KEY MANAGERIAL PERSONS

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

SHAREHOLDERS' INFORMATION

Annual General Meeting 34th AGM on 18th September 2020

Auditors

M/s. R. SUNDARARAJAN & ASSOCIATES
Chartered Accountants
H No.2, Royal Gokulam,
S-2 Ayyappan street, East Tambaram,
Chennai - 59

Bankers

a) State Bank of India
SME Adyar Chennai-600020

Factory Location

Malkapur Village,
HatnooraMandal, Narsapur Taluk,
Medak District-502 296,
Telangana
www.restile.com

CIN

L26931GJ1986PLC102350

Book Closure Date

13/09/2020 to 18/09/2020
(Both days inclusive)

Listing

Bombay Stock Exchange Ltd

ISIN NO

INE298E01022

Stock Code

515085

E-voting Dates

15/09/2020 to 17/09/2020

Registrars & Share Transfer Agents

M/s. Cameo Corporate Services Ltd,
Subramanian Building", 1- Club House
Road, Chennai 600 002.
Telephone No: 044-28460390.

NOTICE

NOTICE is hereby given that the 34th Annual General Meeting of the Members of the Company will be held at 11.00.A.M on 18th September 2020 through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”) to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss for the year ended on that date along with Cash Flow Statement and notes forming part of accounts, together with the Reports of the Board of Directors and the Auditors there on.
2. To appoint Sri Nalinkant Amratlal Rathod (DIN: 00272129) as Director who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Smt Bharati Nalin Rathod (DIN: 02587701) as Director who retires by rotation and being eligible offers herself for re-appointment.

SPECIAL BUSINESS

4. Re-appointment of Mr. G. Padmanabhan as an Independent Director of the Company

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the rules framed thereunder, read with Schedule IV to the Act as amended from time to time, Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, Mr. Padmanabhan (DIN 00101432), an Independent Director of the Company, who will be attaining 75 years age in the year 2021 and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director be and is hereby re-appointed as Independent Director of the Company, not liable to retire by rotation, upto 31st March 2024, notwithstanding that he has attained the age of 75 years.”

5. 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:

“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 are 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.”

6. Authority to create mortgages, charges and hypothecations

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

“RESOLVED THAT in modification of the resolution passed at the previous Annual General Meeting, the consent of the Company be and is hereby accorded to the Board of Directors pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013, read with Articles of Association of the Company, for the creation of such mortgages, charges and hypothecations, on all immovable and movable properties of the company, both present and future, up to an amount not exceeding the aggregate of the paid up capital and free reserves by more than Rs. 50 Crores (Rupees Fifty Crores only) in favour of lending Financial Institution(s)/ Corporate Body(s)/ person(s)/ Corporation(s) / Government (s) / Lenders (s) / Bank (s) for moneys borrowed or to be borrowed.”

“FURTHER RESOLVED THAT the Board of Directors of the company be and are hereby authorized to finalize the terms and conditions for creating the aforesaid mortgages and / or charges and to execute the documents and such other agreements and also to agree to any amendments thereto from time to time as it may think fit for the aforesaid purpose and to do all such acts, deeds, matters and things as may be necessary and expedient for giving effect to this resolution.”

7. Approval for Related Party Transactions

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

“RESOLVED THAT pursuant to the provisions of Section 188 of the Companies Act, 2013 (“Act”) and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and the Company’s policy on Related Party transaction(s), approval of Shareholders be and is hereby accorded to the Board of Directors of the Company to enter into contract(s)/ arrangement(s)/ transaction(s) with Bell Granito Ceramics Ltd., a related party within the meaning of Section 2(76) of the Act, for purchase of verified tiles , on such terms and conditions as the Board of Directors may deem fit, up to a maximum aggregate value of Rs.500 lakhs for the financial year 2020-21, provided that the said contract(s)/ arrangement(s)/ transaction(s) so carried out shall be at arm’s length basis and in the ordinary course of business of the Company.

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

By Order of the Board of Directors

Sd/-

Place: Chennai
Date:06.07.2020

Nalinkant Amratlal Rathod
(DIN 00272129)
Chairman

NOTES

1. In view of the prevailing COVID-19 pandemic, the Ministry of Corporate Affairs (the "MCA") vide its General Circulars No. 14/2020, No. 17/2020 and No. 20/2020 dated April 8, 2020, April 13, 2020 and May 5, 2020 respectively (hereinafter, collectively referred as the "MCA Circulars") read with SEBI Circular No. SEBI/HO/CFD /CMD1/CIR/P/2020/79 dated May 12, 2020, has allowed companies to conduct their annual general meetings through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), thereby, dispensing with the requirement of physical attendance of the members at their AGM and accordingly, the **34th Annual General Meeting (the "AGM" or the "Meeting") of Restile ceramics Limited (the "Company")** will be held through VC or OAVM in compliance with the said circulars and the relevant provisions of the Companies Act, 2013 (as amended) (the "Act") and Rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (the "Listing Regulations"). Members attending the AGM through VC or OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
2. In terms of the MCA circulars and SEBI circular no. sebi/ho/cfd/cmd1/cir/p/2020/79 dated May 12, 2020, the requirement of sending proxy forms to holders of securities as per provisions of section 105 of the act read with regulation 44(4) of the listing regulations, has been dispensed with. therefore, the facility to appoint proxy by the members will not be available and consequently, the proxy form and attendance slip are not annexed to this notice convening the 34th AGM of the company (the "notice"). The Register of Members and Share Transfer Books of the Company will remain closed from 13th September 2020 to 18th September 2020(both days inclusive)
3. 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.
4. 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 Ltd, "Subramanian Building", 1- Club House Road, Chennai 600002.
5. Members desiring any information as regards accounts are requested to write to the Company at least seven days before the date of the meeting to enable the management to keep the information ready at the meeting.
6. In accordance with the MCA Circulars and the said SEBI Circular dated May 12, 2020, the Notice along with the Annual Report of the Company for the financial year ended March 31, 2020, will be sent only through e-mail, to those Members whose e-mail addresses are registered with the Company or the Registrar and Share Transfer Agent (the "RTA"), i.e., M/s. Cameo corporate services Ltd, . The Notice and the Annual Report for the financial year ended March 31, 2020 shall be available on the websites of the Company viz., www.Restile.com and of the Stock Exchanges where Equity Shares of the Company are listed. The Notice shall also be available on the e-Voting website of the agency engaged for providing e-Voting facility ie. CDSL (central depository service ltd
7. The shares of the Company are listed with Bombay Stock Exchange. The Listing Fee for the year 2019-2020 has been paid to Stock Exchange.
8. Brief resume of the Directors seeking reappointment and other details as stipulated under under SEBI (LODR) Regulation, 2015, are provided as part of the AGM Notice.
9. Shareholders are invited to contribute to the cause of Green Initiative by registering their e-mail ID, by submitting the E-COMMUNICATION REGISTRATION FORM inserted in the Annual Report.
10. Voting through Electronic Means:
In compliance with provisions of Section-108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to inform you the facility to exercise your voting right at the Annual General Meeting by electronic means (e-Voting) and the business may be transacted through e-voting Services provided by Central Depository Services Ltd (CDSL).

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

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM/EGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM/EGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM/EGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the EGM/AGM will be provided by CDSL.
3. The Members can join the EGM/AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM/EGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM/EGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM/EGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM/EGM has been uploaded on the website of the Company at <http://www.restile.com/investor-corner/>. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and www.nseindia.com respectively. The AGM/EGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM/EGM) i.e. www.evotingindia.com.
7. The AGM/EGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:

- (i) The voting period begins on 15th September 20 at 9. am and ends on 17th September 20 at 5.00 pm 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) 11.9.20 of may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on "Shareholders" module.
- (v) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

	For Shareholders 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"> • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Company/RTA email id.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:

1. Shareholder will be provided with a facility to attend the EGM/AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM/EGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

4. Shareholders who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.

(xx) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; restile@accountsare.com (designated email address by company) , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, 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 or contact Mr. Nitin Kunder (022- 23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

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

By Order of the Board of Directors

Sd/-

Nalinkant Amratlal Rathod

Chairman

(DIN00272129)

Place: Chennai

Date: 06.07.20

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 forming part of the 34th Annual General Meeting of the Company

Item No.4

As per Regulation 17(1 A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations'), with effect from April 1, 2019, no listed Company shall appoint or continue the Directorship of a Non-Executive Independent Director who has attained the age of 75 years, unless a Special Resolution is passed to that effect and justification thereof is indicated in the explanatory statement annexed to the Notice for such appointment. Mr.G. Padmanabhan is aged about 75 years and his continuation on the Board is considered desirable.

The Company has received declarations from them to the effect that they meet the criteria of independence as provided in Section 149(6) of the Act and Rules framed there under and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

A brief justification for their continuation as Independent Directors on the Board of the Company is as under:

Mr.Padmanabhani is a Chartered accountant ..He is not holding any shares in the Company. His other Directorships include Bell Granito Ceramica Limited . He has been very helpful and instrumental in guiding our Company management for the past 11 years. His rich and diverse experience in business will immensely benefit the Company.

Item Nos.5&6

The Company may need to borrow in excess of paid up capital and free reserves to meet the corporate and working capital requirements. As per section 180(1) (a) & 180 (1) (c) of Companies Act 2013, approval of shareholders by way of special resolution is required for borrowing in excess of Paid up capital and Free Reserves and to create charge on the properties of the company.

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

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

Item No.7

To ensure stability of supplies in terms of quality and logistics, your Company proposes to enter into transaction(s) with Bell Granito Ceramica Ltd., (BGCL) which is the related party to your Company. The quantity to be purchased from BGCL will be based on actual price of tiles and conversion charge plus small margin for handling charges. . The total value of the proposed transaction(s) could reach Rs. 500 lakhs during financial year 2020-21

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

Accordingly, transaction(s) entered into with BGCL comes within the meaning of Related Party transaction(s) in terms of provisions of the Act, applicable Rules framed thereunder read with the Listing Regulations. Hence, approval of the shareholders is being sought for the said Related Party Transaction(s) proposed to be entered into by your Company with BGCL in the financial year 2020-21.Pursuant to Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, particulars of the transaction(s) with BGCL are as follows:

I.	Particulars	Remarks
1	Name of the Related Party	Bell Granito Ceramica Ltd.,
2	Name of the Director or KMP who is related	Sri Nalinkant Amratlal Rathod Sri Viren Rathod Smt Bharathi Rathod Smt Shruthi Rathod Mr. Tribhuvan Simh Rathod
3	Nature of Relationship	Related party within the meaning of Section 2(76) of the Act
4	Nature, material terms, monetary value and particulars of the contract or arrangement	Contract for purchase of raw material shall be on a continuous basis. Monetary value of proposed aggregate transaction(s) during financial year 20-21 is expected to be Rs.500 Lakhs.
5	Any other information relevant or important for the members to take a decision on the proposed resolution	Raw material available with related party in-house and of desired quality at market price.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives, other than as mentioned above is concerned or interested, financially or otherwise, in the resolution. The Board of Directors recommends passing of the resolution as set out at item no. 8 of this Notice as an Ordinary Resolution.

By Order of the Board of Directors

Sd/-

Nalinkant Amratlal Rathod

(DIN 00272129)

Chairman

Place: Chennai

Date: 06.07.20

TO THE MEMBERS

The Directors are pleased to present the 34th Annual Report of the Company together with its Audited Financial Statements for the year ended March 31, 2020.

Financial Results

Particulars	Lakhs	
	2019-20	2018-19
Revenue From Operations	207.93	205.95
Other Income	9.47	87.79
EBITDA	(80.38)	(13.75)
Interest and Financial charges	0.01	0.03
Depreciation	571.94	572.16
Profit/(Loss) before taxes and Exceptional Items	(652.32)	(585.94)
Exceptional Items	-	(4.82)
Provision for taxes	-	-
Profit / (Loss) for the Year	(652.32)	(590.76)

Company Performance

The Company achieved a turnover of 207.93 Lakhs for the period ended March 31, 2020; increased by 1.98 Lakhs (0.96%) as compared to previous year.

The total expenditure for the period ended March 31, 2020 stood at 869.72 Lakhs, decreased by 9.96 Lakhs (1.13%) as compared to previous year.

The Loss (EBITDA) before Depreciation, Finance Cost and Tax for the year ended March 31, 2020 amounted to 80.38 Lakhs, increased by 66.63 Lakhs (484.58%) as compared to previous year.

The Loss before tax and Exceptional item(s) for the year ended March 31, 2020 amounted to 652.32 Lakhs, increased by 66.38 Lakhs (11.32%) as compared to previous year.

The tax expense for the year ended March 31, 2020 was (zero) 0 Lakhs. The Loss after tax for the year ended March 31, 2020 stood at 652.32 Lakhs as against a loss of 590.76 Lakhs of the previous year. No transfer was made to General reserve during the year ended March 31, 2020.

Dividends

Your directors regret to state that in view of the continuous losses suffered by the company no dividend has been recommended for the year ended March 31, 2020.

Share Capital

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

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

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

Borrowings

The Company's borrowings as at March 31, 2020 stood at Rs.3922.12 lakhs as against Rs.3923.34 lakhs as at March 31, 2019.

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.

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.

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

All Related Party Transactions that were entered into during the financial year were on an arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There were no materially significant Related Party Transactions made by the Company during the year that would have required Shareholder approval under the SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015.

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

The Policy on materiality of related party transactions and on dealing with related party transactions as approved by the Board may be accessed on Company's website There were transactions during the year which are given in Form AOC2 as an annexure to this report.

Implementation of Risk Policy

Regulation 21 of SEBI (LODR) requires the top 100 Companies to constitute a Risk Management Committee. This regulation is not applicable to your company. The company however has appointed an internal auditor, whose terms of reference among other things include the evaluation of Internal Control Systems and inform the management of probable lapses. The Audit Committee and the Board of directors have from time to time also identified the risks and opportunities. This practice seeks to create transparency, minimize adverse impact on business objective and enhance the Company's competitive advantage. The two key components of risks are the probability (likelihood) of occurrence and the impact (consequence) of occurrence, if the risk occurs. Risk is analyzed by combining estimates of probability and impact in the context of existing control measures.

The Company has laid down procedures to inform Audit Committee as well as the Board of Directors about the risk assessment and management procedures and status. These procedures are periodically reviewed to ensure that the executive management monitors and controls risks.

Directors and Key Managerial Personnel (KMP)

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

Mr.Viren Rathod Managing Director, Tribhuvan Simh Rathod, Chief Financial Officer and Mr. Ravi kiran sukumar, Company Secretary are designated as Key Managerial Personnel of the Company pursuant to Section 203 of the Companies Act,2013.

Board and Committee Meetings

The Board of directors has met 5(five) times during the year to review and consider the quarterly financials of the Company amongst other things. Details of the composition of the Board and its Committees and of the meetings held and attendance of the Directors at such Meetings, are provided in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Directors' Responsibility Statement

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors including audit of internal financial controls over financial

reporting by the statutory auditors and the reviews performed by Management and the relevant Board Committees, including the Audit

Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2019-20.

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

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- ii. they have selected such accounting policies and applied them consistently made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year March 31, 2020 and of the profit or loss of the Company for that period;
- iii. they have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. they had prepared the annual accounts on a going concern basis;
- v. they have laid down the internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;
- vi. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Internal Controls and Systems

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

Vigil Mechanism/Whistle Blower Policy

The Company has adopted a Whistle Blower Policy to provide a mechanism for the Directors and employees to report genuine concerns about any unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. The provisions of this policy are in line with the provisions of Section 177(9) of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015/Listing Agreement.

Significant and Material Orders passed by the Regulators

During the year under review, no significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and future operation of the Company.

Corporate Social Responsibility

The company has incurred loss in the current year and past 3 years also. Even though Corporate Social Responsibility is not mandatory, your Company is intrinsically associated with the society and environment by upholding its businesses with transparency and commitment.

Remuneration Policy

The Company had adopted a Remuneration Policy for the Directors, Key Managerial Persons and other employees, pursuant to the provisions of the Act.

The key principles governing the Company's Remuneration Policy are as follows:

Remuneration for Independent Directors and Non-Independent Non-Executive Directors

- Independent Directors (ID) and Non-Independent Non-Executive Directors (NINED) may be paid sitting fees for attending the meetings of the Board and of Committees of which they may be members as recommended by the NRC and approved by the Board.
- Overall remuneration should be reasonable and sufficient to attract, retain and motivate Directors aligned to the

requirements of the company; taking into consideration the challenges faced by the Company and its future growth imperatives.

- Remuneration paid should be reflective of the size of the Company, complexity of the sector/ industry/Company's operations and the Company's capacity to pay the remuneration and be consistent with recognized best practices.
- The aggregate commission, if any, payable to all the NEDs and IDs will be recommended by the NRC to the Board based on Company performance, profits, return to investors, shareholder value creation and any other significant qualitative parameters as may be decided by the Board. The NRC will recommend to the Board the quantum of commission for each Director based upon the outcome of the evaluation process which is driven by various factors including attendance and time spent in the Board and Committee Meetings, individual contributions at the meetings and contributions made by Directors other than in meetings.
- The remuneration payable to Directors shall be inclusive of any remuneration payable for services rendered in any other capacity, unless the services rendered are of a professional nature and the NRC is of the opinion that the Director possesses requisite qualification for the practice of the profession.

Remuneration for Managing Director (MD)/ Key Managerial Personnel (KMP)/ rest of the Employees

- The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence remuneration should be market competitive, driven by the role played by the individual, reflective of the size of the Company, complexity of the sector/ industry/ Company's operations and the Company's capacity to pay, consistent with recognized best practices and aligned to any regulatory requirements.
- Basic/fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience. In addition, the Company provides employees with certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings. The Company provides retirement benefits as applicable.

It is affirmed that the remuneration paid to Directors, KMP and all other employees is as per the Remuneration Policy of the Company.

Evaluation of Board of Directors

The Board of Directors of the Company presently comprises (8) Non-Executive Directors and one Executive Director viz., the Managing Director. The Directors appointed on the Board are from diverse fields relevant to the Company's business, having longstanding experience and expertise in their respective fields. They have considerable experience in managing large corporate and have been in public life for decades.

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

In a separate meeting of Independent Directors, performance of Non-Independent Directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of executive and non-executive directors.

Listing

The Equity Shares of your Company are listed at BSE Limited, Mumbai.

The Listing fees to these Stock Exchanges and custodian fees to NSDL and CDSL have been paid by the Company for the financial year 2019-20.

Auditors

i. Statutory Auditors:

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

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

In order to make companies business viable, the company has drawn plans to merge Two associate companies (Atreya Finance Private Ltd and Bell Granito Ceramica Ltd) with the company. For this purpose a modified draft merger scheme was submitted to BIFR and was pending before BIFR. However as the BIFR stands dissolved the Company is in the process of Merging these two associates through NCLT and preliminary process and works have been carried out in this regard.

ii. Cost Audit

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

iii. Secretarial Audit

Pursuant to the provisions of section 204 of the Companies Act 2013 and rules made thereunder the company has appointed M/s N Madhavi, Practicing Company Secretary (C.P No.11732) 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.

Corporate Governance Report, Management Discussion & Analysis Report

As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the report on Management Discussion & Analysis, Corporate Governance as well as the Auditor's certificate on the compliance of Corporate Governance thereon are attached and form part of the Annual Report.

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.

Particulars of Employees & Remuneration

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

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

Disclosures as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

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

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

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.

Appreciation

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

By Order of the Board of Directors

Place: Chennai

Date: 06.07.20

Sd/-
VirenRathod
Managing Director
(DIN 03407158)

Sd/-
T. R. Seetharaman
Director
(DIN02385221)

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, 2020 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 75665 units amounting to Rs.8.98Lacs (2018-19 -77538 units amounting to Rs.9.20Lacs). During the year there was no production and hence the Gas consumption is Nil.

Technology Absorption

As there are no productions/operations during the year 2019-20, nothing much happened in the areas of Technology absorption, new product development, cost reduction and quality improvement.

Foreign Exchange Earnings and Outgo	2019-20	2018-19
	(Rs. in Lakhs)	(Rs. in Lakhs)
Foreign Exchange Earnings	Nil	Nil
Foreign Exchange outgo	Nil	Nil

ANNEXURE TO THE DIRECTOR'S REPORT

As per the last GDP growth estimates, there is growth in Indian economy in the Financial Year 2019-20 compared to Financial Year 2018- 2019. Reduced inflation, stable Rupee, improved purchasing power and higher capital inflows supported by the government policy reforms in the infrastructure sector 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, 2020 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, 2020 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. 207.93 lacs as against Rs. 205.95 Lacs during the previous year. During the year there was no production and the revenue was generated out of sale of materials from Stock and from traded goods.
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	2019-20	2018-19	Increase/ (Decrease)
1.	Raw Material Consumption (including Movement in Finished Goods Stock)	171.96	174.68	(2.72)
2.	Employee Expenses	35.64	35.47	0.17
3.	Finance Costs	0.01	0.03	(0.02)
4.	Other Expenses	90.17	97.34	(7.17)
5.	Depreciation and amortization	571.94	572.10	(0.16)
	Total	869.72	879.62	(9.90)

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

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. The company has also purchased material from M/s Bell Granito Ceramica Limited, an Associate Company, which has resulted in extra revenue on account of sale of these products in the Andhra and Telangana region.
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 earlier years. The relationship with the balance employees has been fairly cordial.
9. The company had in earlier year initiated the process of Shifting of registered Office from Telangana to Gujarat for better management of affairs of the company. The company has received the necessary orders from ROC for the same and the present registered office of the company is situated in the state of Gujarat.
10. Cautionary statement:
Statements in this Directors report & management discussion and Analysis describing the company's objectives,

projections, estimates, expectations or predictions may be “forward looking statements” within the meaning of applicable securities laws and regulations Actual results could differ materially from those expressed or implied. Important factors that could impact are raw material availability and its prices, cyclical demand and pricing in the company’s principle market, changes in government regulations, tax regimes, economic developments with in India and countries in which the company conducts business.

FORMNO.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 arms length transactions under third proviso thereto

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

For and on behalf of the Board of Directors

Place : Chennai
Date : 06.07.20

Viren Rathod
Managing Director
(DIN 03407158)

T. R. Seetharaman
Director
(DIN02385221)

ANNEXURE

S.No.	Name of the Related Party	Nature of Transaction	Duration of Transaction	Salient terms of the transaction including the value, if any (in Lakhs)	Date of approval by the board, if any
1	Bell Granito Ceramica Limited	Purchases	Continual	153.97	04-05-2019
2	Bell Granito Ceramica Limited	Sales	Continual	12.66	04-05-2019

For and on behalf of the Board of Directors

Place : Chennai
Date : 06.07.20Viren Rathod
Managing Director
(DIN 03407158)T. R. Seetharaman
Director
(DIN02385221)**FORM NO.MGT-9****EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31.03.2020

[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 OTHERDETAILS**

i) CIN	:	L26931GJ1986PLC102350
ii) Registration Date	:	26.05.1986
iii) Name of the Company	:	RESTILE CERAMICS LIMITED
iv) Category/Sub-Category of the Company Indian Non Government company	:	Limited by Shares
v) Address of the Registered office and Contact Details	:	204, Sakar complex, Opp. ABS Tower, Vaccine Crossing, Old Padra Road, Baroda- 390 015
vi) Whether listed company	:	Yes
vi) 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 THECOMPANY

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

Sl. No.	NameandDescriptionofmainp roducts /services	NIC Code of the Product/ service	% to total turnover of the company
1	Virtified Tiles	23929	100%

III. PARTICULARS OF HOLDING SUBSIDIARY AND ASSOCIATECOMPANIES

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	Atreya Finance Pvt ltd	U65910GJ1996PTC102378	Associate	Nil	
3	Bell GranitoCeramica limited	U18907GJ1993PLC018901	Associate	Nil	

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

Category-wise Share Holding

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)	
(i) Category-wise Share Holding	
Name of the Company	: RESTILE CERAMICS LIMITED
Face Value	: 10 /-
Paidup Shares as on 30-Mar-2019	: 98279239

Paidup Shares as on 31-Mar-2020 : 98279239										
For the Period From : 30-Mar-2019 To : 31-Mar-2020										
Category code	Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	SHAREHOLDING OF PROMOTER AND PROMOTER GROUP									
1.	INDIAN									
a.	INDIVIDUALS/HINDU UNDIVIDED FAMILY	0	0	0	0.0000	0	0	0	0.0000	0.0000
b.	CENTRAL GOVERNMENT/ STATE GOVERNMENT(S)	0	0	0	0.0000	0	0	0	0.0000	0.0000
c.	BODIES CORPORATE	0	0	0	0.0000	0	0	0	0.0000	0.0000
d.	FINANCIAL INSTITUTIONS/ BANKS	0	0	0	0.0000	0	0	0	0.0000	0.0000
e.	ANY OTHER									
	SUB - TOTAL (A)(1)	0	0	0	0.0000	0	0	0	0.0000	0.0000
2.	FOREIGN									
a.	INDIVIDUALS (NON- RESIDENT INDIVIDUALS/ FOREIGN INDIVIDUALS)	8126383	0	8126383	8.2686	8126383	0	8126383	8.2686	0.0000
b.	BODIES CORPORATE	62596302	0	62596302	63.6922	62596302	0	62596302	63.6922	0.0000
c.	INSTITUTIONS	0	0	0	0.0000	0	0	0	0.0000	0.0000
d.	QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0	0	0	0.0000	0.0000
e.	ANY OTHER									
	SUB - TOTAL (A)(2)	70722685	0	70722685	71.9609	70722685	0	70722685	71.9609	0.0000
	TOTAL SHARE HOLDING OF PROMOTER AND PROMOTER GROUP (A) = (A)(1)+(A)(2)	70722685	0	70722685	71.9609	70722685	0	70722685	71.9609	0.0000
B.	PUBLIC SHAREHOLDING									
1.	INSTITUTIONS									
a.	MUTUAL FUNDS/UTI	17500	1800	19300	0.0196	17500	1800	19300	0.0196	0.0000
b.	FINANCIAL INSTITUTIONS/ BANKS	0	40	40	0.0000	2	40	42	0.0000	0.0000
c.	CENTRAL GOVERNMENT/ STATE GOVERNMENT(S)	100000	0	100000	0.1017	100000	0	100000	0.1017	0.0000
e.	INSURANCE COMPANIES	0	0	0	0.0000	0	0	0	0.0000	0.0000
f.	FOREIGN INSTITUTIONAL INVESTORS	0	0	0	0.0000	0	0	0	0.0000	0.0000

g.	FOREIGN VENTURE CAPITAL INVESTORS	0	0	0	0.0000	0	0	0	0.0000	0.0000
h.	QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0	0	0	0.0000	0.0000
i.	ANY OTHER									
	SUB - TOTAL (B)(1)	117500	1840	119340	0.1214	117502	1840	119342	0.1214	0.0000
2.	NON-INSTITUTIONS									
a.	BODIES CORPORATE	234421	9281	243702	0.2479	153098	9281	162379	0.1652	-0.0827
b.	INDIVIDUALS -									
	I INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL UPTO RS. 1 LAKH	1518353	573510	2091863	2.1284	1580568	569330	2149898	2.1875	0.0590
	II INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL IN EXCESS OF RS. 1 LAKH	5998999	0	5998999	6.1040	5977455	0	5977455	6.0821	-0.0219
c.	QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0	0	0	0.0000	0.0000
d.	ANY OTHER									
	CLEARING MEMBERS	3179	0	3179	0.0032	11799	0	11799	0.0120	0.0087
	FOREIGN CORPORATE BODIES	1909750	0	1909750	1.9431	1909750	0	1909750	1.9431	0.0000
	HINDU UNDIVIDED FAMILIES	425170	0	425170	0.4326	452350	0	452350	0.4602	0.0276
	NON RESIDENT INDIANS	2428920	0	2428920	2.4714	2437950	0	2437950	2.4806	0.0091
	OVERSEAS CORPORATE BODIES	14335631	0	14335631	14.5866	14335631	0	14335631	14.5866	0.0000
		19102650	0	19102650	19.4371	19147480	0	19147480	19.4827	0.0456
	SUB - TOTAL (B)(2)	26854423	582791	27437214	27.9176	26858601	578611	27437212	27.9176	-0.0000
	TOTAL PUBLIC SHAREHOLDING (B) = (B)(1)+(B)(2)	26971923	584631	27556554	28.0390	26976103	580451	27556554	28.0390	0.0000
	TOTAL (A)+(B)	97694608	584631	98279239	100.0000	97698788	580451	98279239	100.0000	0.0000
C.	SHARES HELD BY CUSTODIANS AND AGAINST WHICH DEPOSITORY RECEIPTS HAVE BEEN ISSUED									
	Promoter and Promoter Group	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Public	0	0	0	0.0000	0	0	0	0.0000	0.0000
	TOTAL CUSTODIAN (C)	0	0	0	0.0000	0	0	0	0.0000	0.0000
	GRAND TOTAL (A)+(B)+(C)	97694608	584631	98279239	100.0000	97698788	580451	98279239	100.0000	0.0000

(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 pledge encumbered total shares	No. of Shares	% of Shares of the Company	% of Shares pledge encumbered total shares	
1.	NALINKANT AMRATLAL RATHOD	8126383	8.27	Nil	8126383	8.27	Nil	Nil
2.	SOLOMED PTE LTD	62596302	63.69	Nil	62596302	63.69	Nil	Nil
	Total	70722685	71.96	Nil	70722685	71.96	Nil	Nil

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

Sl. No.		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	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.	For Each of the Directors and KMP (NALINKANT AMRATLAL RATHOD)	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
	At the beginning of the year	8126383	8.27	8126383	8.27
	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	NA	NA
	At the End of the year	8126383	8.27	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		-	-	
i) Principal Amount	--	392173577.13	-	392173577.13
ii) Interest due but not paid iii) Interest accrued but not due	--	--	-	-
Total (i+ii+iii)	--	392173577.13	-	392173577.13
Change in Indebtedness during the financial year	--	-	-	-
· Addition	--	234173577.13	-	234173577.13
· Reduction	--	(234013577.13)	-	(234013577.13)
Net Change	--	160000.00	-	160000.00
Indebtedness at the end of the financial year		-	-	-
i) Principal Amount	--	392333577.13	-	392333577.13
ii) Interest due but not paid iii) Interest accrued but not due	--	--	-	--
Total (i+ii+iii)	--	392333577.13	-	392333577.13

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 TRIBHUVAN SIMH RATHOD Managing Director				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	NIL				NIL
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
3.	Independent Directors · Fee for attending board committee meetings · Commission -NIL · Others, please specify-NIL	N.S. Mani T.R. Seetharaman G Padmanabhan N.S. Ramachandran Yash Kaushik Shah	50,000.00 50,000.00 30,000.00 57,000.00 20,000.00
	Total (1)		2,07,000.00
4.	Other Non-Executive Directors · Fee for attending board committee meetings · Commission · Others, please specify		
	Total (2)		NIL
	Total (B)=(1+2)		2,07,000

Sl. no.	Particulars of Remuneration	Name of Directors	Total Amount
	Total Managerial Remuneration		2,07,000
	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	90000	210720	300720
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	90000	210720	300720

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

Place: Chennai
Date : 06.07.20

Viren Rathod
Managing Director
(DIN 03407158)

T. R. Seetharaman
Director
(DIN 02385221)

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

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

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

Name of the Company : RESTILE CERAMICS LIMITED

Sl No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year		FOLIO/DP_CL_ID	PAN
		No of shares	% of total shares of the company	No of shares	% of total shares of the company		
1	SPRINGBOARD PACIFIC ENTERPRISE INC						
	At the beginning of the year 30-Mar-2019	14335631	14.5866	14335631	14.5866	'IN30102221382023	AAKCS8880P
	At the end of the Year 31-Mar-2020	14335631	14.5866	14335631	14.5866		
2	SAVITRI N SWAMY						
	At the beginning of the year 30-Mar-2019	4470829	4.5491	4470829	4.5491	'IN30051319899825	APKPS3571B
	At the end of the Year 31-Mar-2020	4179330	4.2525	4179330	4.2525		
3	SRI JAYA INCORPORATED						
	At the beginning of the year 30-Mar-2019	1909750	1.9431	1909750	1.9431	'IN30102221370305	AAKCS7794J
	At the end of the Year 31-Mar-2020	1909750	1.9431	1909750	1.9431		
4	SARASWATHI KUPPUSWAMI						
	At the beginning of the year 30-Mar-2019	1038700	1.0568	1038700	1.0568	'IN30102221369565	AUGPK8083M
	At the end of the Year 31-Mar-2020	1038700	1.0568	1038700	1.0568		
5	HARIHARAN SUNDARESAN						
	At the beginning of the year 30-Mar-2019	661134	0.6727	661134	0.6727	'IN30102221388160	AARPS9722N
	At the end of the Year 31-Mar-2020	661134	0.6727	661134	0.6727		
6	MAMTA SINGH						
	At the beginning of the year 30-Mar-2019	659990	0.6715	659990	0.6715	'IN30102221370039	BKYPS7329R
	At the end of the Year 31-Mar-2020	659990	0.6715	659990	0.6715		
7	RADHA VALLURY						
	At the beginning of the year 30-Mar-2019	214483	0.2182	214483	0.2182	'IN30047642700374	AAVPV8282C
	At the end of the Year 31-Mar-2020	214483	0.2182	214483	0.2182		

8	AMAR SINGH BAID						
	At the beginning of the year 30-Mar-2019	160529	0.1633	160529	0.1633	'IN30245310209572	AACHA1268G
	At the end of the Year 31-Mar-2020	198912	0.2023	198912	0.2023		
9	USHA NANDA KUMAR						
	At the beginning of the year 30-Mar-2019	112262	0.1142	112262	0.1142	'1201090001710464	ABUPN0948F
	At the end of the Year 31-Mar-2020	112262	0.1142	112262	0.1142		
10	GOWRI SHANKAR .S						
	At the beginning of the year 30-Mar-2019	102062	0.1038	102062	0.1038	'IN30044110200803	AAEPG6444Q
	At the end of the Year 31-Mar-2020	112062	0.1140	112062	0.1140		

ANNEXURE -B

FORM MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH 2020

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

To,
The Members,
Restile Ceramics Limited
204, Sakar Complex, Opp ABS Tower,
Vaccine Crossing, Old Padra Road,
Vadodara, Gujarat – 390015.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Restile Ceramics Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the 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 my opinion, the company has, during the audit period covering the financial year ended on 31st March 2020, 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 Restile Ceramics Limited for the financial year ended on 31st March 2020 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;

(vi) 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, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the Audit Period);
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not applicable to the Company during the Audit Period);
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit Period);
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit Period); and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit Period);

(vi) Other specifically applicable laws to the Company:

- a) The EPF & Misc. Provisions Act, 1952;

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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive 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.

All the decisions at the Board Meetings and Committee Meetings have been carried out unanimously as recorded in the Minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

We further report that:

- there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- there were no such specific events/actions in pursuance of the above referred laws, rules, regulations, etc., having a major bearing on the Company's affairs.

Date : 6.7.20
Place: Hyderabad

N. MADHAVI
COMPANY SECRETARY IN PRACTICE
M.NO.A16866; CP NO. 11732

ANNEXURE A

To
The Members of
Restile Ceramics Limited
204, Sakar Complex, Opp ABS Tower,
Vaccine Crossing, Old Padra Road,
Vadodara, Gujarat – 390015.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for our opinion.
3. I have relied on the reports given by the concerned professionals in verifying the correctness and appropriateness of financial records and books of accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The secretarial Audit report is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Date :6.7.20
Place: Hyderabad

N. MADHAVI
COMPANY SECRETARY IN PRACTICE
M.NO.A16866; CP NO. 11732

REPORT ON CORPORATE GOVERNANCE

Philosophy on Corporate Governance

Corporate Governance has been in existence in your Company since its inception, before it was mandated. The principles of Corporate Governance are embedded as a fundamental principle of businesses. The Corporate Governance framework of the Company is to manage the affairs in a fair and transparent manner, which has assisted in evolving guidelines and best practices over the years to ensure adequate disclosure of information.

The Company has complied with the requirements of Corporate Governance as mandated by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Clause 49 of the erstwhile Listing Agreement executed with the Stock Exchanges) ('Listing Regulations') as detailed below for the year ended March 31, 2020:

Board of Directors:-

- The Board of Directors of the company shall have optimum combination of Executive and Non- Executive directors. As on 31st March 2020, the Company has ten (10) directors with a Non-Executive chairman. Of the ten Directors, Nine (9) are Non-Executive Directors with Five (5) of them being Independent Directors, one (1) Nominee Director and two (2) Women Directors. The Non-Executive Directors possess rich and varied experience in different facets of corporate functioning. The Company under the Board of Directors along with the Committees, provides leadership, guidance to the Management, directs and supervises the performance of the Company thereby enhancing stakeholders value. The Board has fiduciary relationship in ensuring that the rights of all stakeholders are protected. The Company with the help of expertise and knowledge of the Directors has optimized its value in the business. The details of Directors seeking re-appointment are furnished in the Notice of the Annual General Meeting.
- "Independent Directors" of the Company have been appointed as per the provision of the Companies Act, 2013 and the Governance Guidelines for Board effectiveness as adopted by the Company. Directors who apart from receiving Director's remuneration, do not have any material pecuniary relationships or transactions with the Company, its Promoters, its Directors, its Senior Management or its holding company, its subsidiaries and associates, which may affect the independence of the Director. Formal appointment letters have been issued to the Independent Directors.
- The Directors made necessary disclosures with regard to committee positions across all the Companies in which he/she is a Director as per the Regulation 26(1) of the Listing Regulations.
- None of the Directors of the Board serve as members of more than 10 committees nor Chairman of more than 5 Committees, as per the requirements of the Listing Regulations. "Committees" for this purpose include the Audit Committee and the Stake- holder's Relationship Committee and the details of the same forms part of this report.
- Pursuant to Regulation 25(1) of the Listing Regulations all the Directors are in compliance with the limit prescribed to hold Independent Directorship in the listed companies.
- During the year under review, the Board of Directors of the Company met five (5) times and the period between any two meetings did not exceed 120 days. The dates of the Board Meetings held during the year are as follows:

Date of Meetings	Total no. of Directors	No. of Directors present
4 th May 2019	10	6
10 th August 2019	10	8
14 th November 2019	10	4
29 th November 2019	10	9
13 th February 2020	10	6

- Independent Directors of the Company separately met once on November 14th, 2019 as required under Schedule IV to the Companies Act, 2013 (Code for Independent Directors) and Regulation 25(3) of the Listing Regulations. None of the Non Independent Directors and members of the Management were present at the meeting.

8. Independent Directors at their meeting reviewed/assessed the following
 - a. Reviewed the performance of Non Independent Directors and the Board as a whole;
 - b. Reviewed the performance of the Chairman of the Company, taking into consideration of the views of Managing Director and Non-Executive Directors; and
 - c. Assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform its duties.
9. All Independent Directors were present at the meeting of Independent Directors and Mr. Narayanan Subramanian, Independent Director, Chaired the meeting.
10. The Independent Directors are already familiar with the nature of the Industry, and business model of the Company, considering their expertise contribution no familiarization program was organised during the year.
11. All the relevant information, as recommended by the Securities and Exchange Board of India (SEBI)/Stock Exchanges, is being furnished to the Board from time to time.
12. The details of remuneration/sitting fees paid to the directors are being furnished in this report
13. The Company has adopted a Code of Conduct for its Non-Executive Directors and all Non-Executive Directors have affirmed compliance with the said Code for the financial year ended March 31, 2020. The said code of conduct is also displayed on the Company's website.
14. All Board Members and senior management personnel, pursuant to Regulation 26(3) of the Listing Regulation have affirmed compliance with the applicable code of conduct. The Annual Report of the Company contains a Certificate duly signed by the Managing Director in this regard.
15. Other than the transactions entered into in the normal course of business, no materially significant related party transactions entered by the Company during the year, which could have potential conflict of interest between the Company and its Promoters, Directors, Management and/or relatives. The Company has adopted Policy for Related Party transactions, which is made available at the website of the Company.

Name of Director	DIN No	Category	No of Meetings Attended					Other Companies				
			Board Meeting	Audit Committee	Shareholders Relationship and Share Transfer Committee	Nomination and Remuneration Committee	Whether Attended AGM on Sept 20, 2019	Director ship		Name of the company	Committee	
								Indian	Foreign		Indian	Foreign

Nalinkant Amratlal Rathod	0272129	NP	4	-			Yes	2		BELL GRANITO CERAMICA LIMITED	-	
										ATREYA FINANCE PRIVATE LIMITED		
Viren rathod Rathod	03407158	MD	3	-			Yes	4		BELL GRANITO CERAMICA LIMITED	-	
										ATREYA FINANCE PRIVATE LIMITED		
										SOLOGUARD MEDICAL DEVICES PRIVATE LIMITED		
										AVP TRADING PRIVATE LIMITED		
Bharathi Nalin Rathod	02587701	NN	3	-		No	4		BELL GRANITO CERAMICA LIMITED			
										ATREYA FINANCE PRIVATE LIMITED	-	
										SOLOGUARD MEDICAL DEVICES PRIVATE LIMITED		
										AVP TRADING PRIVATE LIMITED		
Nalandula SrinivasaRao Ramachandran	00089348	NI	5	5	7	2	Yes	1		BELL GRANITO CERAMICA LIMITED	2	
										KSK ENERGY VENTURES LIMITED		
Gopalachari Padmanabhan	00101432	NI	3	3			No	1		BELL GRANITO CERAMICA LIMITED	2	
Tenkasi Ramanarayanan Seetharaman	02385221	NI	5	5	7		No	1		BELL GRANITO CERAMICA LIMITED	1	
Narayanan Subramanian	02577983	NI	5	5	7	2	Yes	2		BELL GRANITO CERAMICA LIMITED	2	
										TRANS MEDICA (INDIA) LIMITED		
YashKaushik shah	02155636	NI	2	2		0	No	0			2	
Rajendra Prasad Kandikattu	00143653	NNo	No Information Received As No Meeting Attended							ANDHRA PRADESH HEAVY MACHINERY AND ENGINEERING LTD	2	
Shruthi rathod	01948999	NN	5				YES			BELL GRANITO CERAMICA LIMITED	4	
										SOLOCARE MEDICALS PVT LTD		
										SOLOGUARD MEDICAL DEVICES PVT LTD		
										AVP TRADING PRIVATE LIMITED		

NP:-Non-Executive-Promoter
 NI:- Non Executive-Independent
 NNo:- Non Executive - Nominee

NN:- Non- Executive- Non Independent
 MD:- ManagingDirector

Composition of Committees Membership as on March 31, 2020:-

Name of Director	DIN No	Name of Committees of Board		
		Audit Committee	Nomination and Remuneration Committee	Shareholders Relationship and Share Transfer Committee
Nalandula SrinivasaRao Ramachandran	00089348	C	M	C
Gopalachari Padmanabhan	00101432	M	-	-
Tenkasi Ramanarayanan Seetharaman	02385221	M	-	M
Narayanan Subramanian	02577983	M	C	M
Yash Kaushik shah	02155636	M	M	-

C:- Chairman M:- Member

The Mandatory Committees of the Company constituted by the Board are as hereunder inter alia includes the following:-

Audit Committee

The Company's Audit Committee comprises of Independent Directors and Non Independent Directors. Each member of the Committee has relevant experience in the field of finance and accounting.

Powers of Audit Committee

The powers of audit committee shall include the following:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it consider necessary.

Terms of reference of Audit Committee

The terms of reference of Audit Committee inter alia are as follows:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, remuneration and terms of appointment of auditors of the Company.
3. Approval of payment to statutory auditor(s) for any other services rendered by them.
4. Reviewing; with management, the annual financial statements before submission to the Board for its approval with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (C) of sub-section 3 of section 134 of the Companies Act,2013.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by management, if any.
 - d. Significant adjustments made in the financial statements arising out of audit findings, if any.

- e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of related party transactions, if any.
 - g. Qualifications in the (draft) audit report, if any.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
 6. Reviewing; with management, the statement of uses/application of funds raised through an issue(public issue, rights issue, preferential issue, etc.),the statement of funds utilized for the purposes other than those stated in the offer document/prospectus /notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public rights issue and making appropriate recommendations to the Board to take up steps in this matter.
 7. Review and monitor the auditor’s independence and performance, and effectiveness of audit process;
 8. Approval or any subsequent modification of transactions of the Company with related parties;
 9. Scrutiny of inter-corporate loans and investments;
 10. Valuation of undertakings or assets of the Company, wherever it is necessary;
 11. Evaluation of internal financial controls and risk management systems;
 12. Reviewing with management, performance of statutory and internal auditors, and adequacy of the internal control systems.
 13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
 14. Discussion with internal auditors for any significant findings and follow up thereon.
 15. Reviewing the findings by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
 16. Discussion with statutory auditor(s) before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividend(s) and creditors.
 18. To review the functioning of the Whistle Blower mechanism.
 19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
 20. Carrying out any other functions as mentioned in the terms of reference of the Audit Committee.

Review of information by Audit Committee

The Audit Committee reviewed the following information:

1. Management discussion and analysis of financial conditions and results of operations;
2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review of the Audit Committee;

The Committee met four times during the period under review. Audit Committee meetings were attended by the Internal Auditors and the Statutory Auditors. The Company Secretary acts as the Secretary to the Audit Committee. The Chairman of the Audit Committee was present at the last Annual General Meeting.

Shareholders Relationship and Share Transfer Committee

The Stakeholders Relationship Committee's term of reference includes the following

- a. Consider and resolve grievances of all classes of investors of the company;
- b. Review statutory compliance relating to stake holders.
- c. Ensure setting of proper controls and oversee the performance of Registrar and Share Transfer Agent;
- d. Look into the redressing of the shareholders complaints and queries;
- e. Review movement in shareholdings and ownership structure of the Company;
- f. Oversee compliance in respect of dividend payment and transfer of unclaimed dividend amount to IEPF.
- g. Consider and resolve grievances of stakeholders including compliance related to transfer of securities, non-receipt of Annual Report / Dividend Warrant etc.

Share transfers are processed fortnightly and approved by the Share Transfer Committee. Investor grievances are also placed before the Committee. The Committee met on March 31, 2020 to review the various matters related to the Stakeholders during the year under review. There were no pending investor complaints which remained unresolved.

The Company has not received any complaints through SEBI Complaints Redressal System (SCORES). All valid share transfers lodged up to March 31, 2020, have been processed by the Committee.

Nomination and Remuneration Committee

The Committee consists of 3 members of which 3 are independent directors. The terms of reference of the Committee include inter-alia the following:-

- a. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
- b. Formulation of criteria for evaluation of Independent Directors and the Board;
- c. Devising a policy on Board diversity;
- d. Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company disclosed the remuneration policy and the evaluation criteria in its Annual Report.

Appointment of Key Managerial Personnel during the year is Mr. s. Ravi kiran – company sec

Remuneration of the Managing Director

The remuneration paid during the financial year 2019–2020 to the Managing Director is furnished hereunder:

Particulars	Mr. Viren Rathod
Salary, Incentive and perquisites	NIL
Contribution to Provident and Gratuity Fund	NIL
Performance Incentive Payable	NIL
Shares held as on March 31, 2019.	NIL

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

Sitting fee (remuneration) paid to Non-Executive Directors during the financial year 2019-20 and the details of shares held by them as on March 31, 2020 are as under:

Name of Director	Amount	No of Shares Held
Nalandula SrinivasaRao Ramachandran	57,000	NIL
Gopalachari Padmanabhan	30,000	NIL
Tenkasi Ramanarayanan Seetharaman	50,000	NIL
Narayanan Subramanian	50,000	NIL
Yash Kaushik Shah	20,000	NIL
Rajendra Prasad Kandikattu	NIL	NIL

General Body Meetings

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

Year	Location	Date of AGM	Day	Time
2017	Registered Office the Company at Malkapur Village, HatnooraMandal, Narsapur Taluk, Medak Dist, A.P	September 21, 2017	Thursday	11.30 A.M
2018	204, sakar complex, opp ABS tower, Vaccine crossing, Old Padra Road, Baroda- 390015	September 17, 2018	Monday	10.00 A.M
2019	204, sakar complex, opp ABS tower, Vaccine crossing, Old Padra Road, Baroda- 390015.	September 20, 2019	Friday	4.00 P.M

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

No EGM was held in the last three years.

Special Resolutions have been passed in the previous three Annual General Meetings held in 2017, 2018 and 2019.

For the year 2017-18 postal ballot was conducted for shifting of registered office.

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

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

General Shareholder Information

Corporate Identification Number	L26931GJ1986PLC102350
Registered Office	204, Sakar complex, Opp. ABS Tower, Vaccine Crossing, Old Padra Road, Baroda- 390 015
Name, Contact Details of Compliance Officer	Mr. S Ravi kiran 204, Sakar complex, Opp. ABS Tower, Vaccine Crossing, Old Padra Road, Baroda- 390 015 Email: restile@accountscare.com

Corporate Identification Number	L26931GJ1986PLC102350
Registrar and Share Transfer Agent	M/s. Cameo Corporate Services Ltd, Subramanian Building*1, Club House Road, Chennai 600 002. Telephone No: 044-28460390
Date, Time and Venue of AGM	18 th September, 2020 204, Sakar complex, Opp. ABS Tower, Vaccine Crossing, Old Padra Road, Baroda- 390 015
Financial Calendar	
Financial Year	1 st April-31 st March
Financial Report For:	
Quarter Ending 30 th June	On or Before August 15 th
Quarter Ending 30 th September	On or Before November 15 th
Quarter Ending 31 st December	On or Before February 15 th
Quarter Ending 31 st March	On or Before May 30 , (extended to on or before 31.7.20)
Cut-off for e-Voting	17/09/2020
E-Voting Window Dates	15/09/2020 to 17/09/2020
Date of Book Closure	13/09/2020 to 18/09/2020 (Both days inclusive)
Equity Shares	
Stock Exchange	Stock Code
BSE Limited	515085
ISIN No.	INE298E01022

The company has paid annual listing fees to the Stock Exchanges in respect of financial year 2019-2020.

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

Month	Highest (Rs.)	Lowest (Rs.)	Month	Highest (Rs.)	Lowest (Rs.)
April '19	4.45	3.25	October'19	3.14	2.20
May'19	3.99	3.01	November'19	2.80	2.23
June'19	3.66	2.12	December'19	2.56	2.05
July'19	3.49	2.25	January'20	2.83	2.15
August'19	2.90	2.27	February'20	2.54	1.93
September'19	3.74	2.30	March'20	2.08	1.60

Shareholding Pattern as on March 31, 2020

CATEGORY	NO.OF HOLDERS	TOTAL SHARES	% TO EQUITY
Corporate Body - Foreign Body - Promoter	1	62596302	63.69
NRI - Repatriable – Promoter	2	8126383	8.27
Resident	23240	8579703	8.73
FI	1	2	0.00
NRI	31	2437950	2.48
Corporate Body	83	16507760	16.80
Clearing Member	4	11799	0.01
Mutual Funds	5	19300	0.02
Bank	2	40	0.00
TOTAL	23369	98279239	100

List of Persons holding more than 1% if total number of shares as on March 31, 2020

SI No	Name of Shareholders	No. of Shares	% of Share Capital
A. Promoters & Promoter Group			
1.	Solomed Capital Pte. Ltd	62596302	63.6922
2.	Nalinkant Amratlal Rathod	8126383	8.2685
B. Public			
1.	Springboard Pacific Enterprise Inc.	14335631	14.5866
2.	Savitri N Swamy	4179330	4.2525
3.	Sri Jaya Incorporated	1909750	1.9431
4.	Saraswathi Kuppaswami	1038700	1.0569

Distribution Schedule of Share Holding as on March 31, 2020

Share or Debenture holding (Rs.)	No. of holders	% of Total holders	Total Amount (Rs.)	% of Total Amount	
10	5000	22530	96.8282	7938540	0.8077
5001	10000	267	1.1474	2306620	0.2347
10001	20000	167	0.7177	2586810	0.2632
20001	30000	75	0.3223	1938800	0.1972
30001	40000	37	0.1590	1371300	0.1395
40001	50000	53	0.2277	2510360	0.2554
50001	100000	62	0.2664	4578090	0.4658
100001	And Above	77	0.3309	959561870	97.6362
Total		23268	100.0000	982792390	100.0000

Reconciliation of Share Capital Audit

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

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

Dematerialization of Shares & Liquidity

At the end of March 31, 2020, shares comprising approximately 99.40% of the Company's Equity Share Capital have been dematerialized.

Status on Dematerialised Shares (Equity ISIN No INE298E01022)

Mode	No of Shares	% to paid up Capital
Physical	580451	0.59
NSDL/CDSL	97698788	99.41
	98279239	100.00

Investor Correspondence

For any queries, investors are requested to get in touch with the Secretarial department at 204, Sakar complex, Opp. ABS Tower, Vaccine Crossing, Old Padra Road, Baroda- 390 015. Any investor complaints may be mailed to restile@accountscare.com

Usage of electronic payment modes of making cash payments to the investors

SEBI vide its Circular No. CIR / MRD/DP/10/2013 dated March 21,2013 has instructed all Companies for making cash payments to the investors, companies whose securities are listed on Stock Exchanges shall use, either directly or through their RTI&STA, any RBI

(Reserve Bank of India) approved electronic mode of payment such as ECS (Local ECS) / RECS (Regional ECS) / NECS (National ECS), NEFT etc.

Investors are requested to kindly provide their requisite bank account particulars by quoting their reference folio number(s) in case shares are held in physical form.

In case shares are held in dematerialized form, investors may kindly provide the requisite bank account details to their Depository Participant, to ensure that future dividend payments are correctly credited to the respective account.

Location of Manufacturing Units of Company

Malkapur Village,
Hatnoora Mandal, Narsapur Taluk,
Medak District-502 296,
Telangana

DECLARATION BY THE MANAGING DIRECTOR UNDER PARA D OF SCHEDULE V OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 REGARDING ADHERENCE TO THE CODE OF CONDUCT

In accordance with para D of Schedule V of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance with their respective Codes of Conduct, as applicable to them, for the financial year ended March 31, 2020.

For RESTILE CERAMICS LIMITED

Place: Chennai
Date: 06.07.20

Viren Rathod
Managing Director

COMPLIANCE CERTIFICATE BY CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO)

We, Viren Rathod, Managing Director and Tribhuvan simh Rathod, CFO of Restile Ceramics Limited, to the best of our knowledge and belief, certify that:

- A.** We have reviewed the financial statements and the cash flow statement for the year under review and to the best of our knowledge and belief:
1. these statements do not contain any materially untrue statement or omit any material facts or contain statements that might be misleading;
 2. these statements together present a true and fair view of the state of affairs of the Company and of the results of the operations and cash flows. The financial statements have been prepared in all material respects, with the existing Generally Accepted Accounting Principles including Accounting Standards, applicable laws and regulations.
- B.** 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.
- C.** We are responsible for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and disclosed to the auditors and audit committee, the deficiencies in the design and operation of such internal controls and the steps taken to rectify these deficiencies.
- D.** We have indicated to the auditors and the audit committee that
1. there are no significant changes in internal control over financial reporting during the year.
 2. there are no significant changes in accounting policies during the year.
 3. There are no frauds of which we are aware, that involves management or other employees who have a significant role in the Company's internal control system.

Tribhuvan Simh Rathod
CFO

Viren Rathod
Managing Director

Place: Chennai

Date :06.07.20

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

TO THE MEMBERS OF RESTILE CERAMICS LIMITED

1. The Corporate Governance Report prepared by RESTILE CERAMICS LIMITED ("the Company"), contains details as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('applicable criteria') with respect to Corporate Governance for the year ended March 31, 2020. This report is required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company.

Management's Responsibility

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

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

Auditors' Responsibility

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

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

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

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

8. The procedures also include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

9. Based on the procedures performed by us as referred in paragraph 7 and 8 above and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2020, referred to in paragraph 1 above.

Other Matters and Restriction on use

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

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

For R.SUNDARARAJAN & ASSOCIATES

Chartered Accountants
Registration No. 08282S

S.Krishnan—Partner
Membership No.26452
UDIN:20026452AAAABD2567

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS
(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Restile Ceramics Limited
204, Sakar Complex, Opp ABS Tower,
Vaccine Crossing, Old Padra Road,
Vadodara, Gujarat – 390015.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Restile Ceramics Limited having CIN L26931GJ1986PLC102350 and having registered office at 204, Sakar Complex, Opp ABS Tower, Vaccine Crossing, Old Padra Road, Vadodara, Gujarat – 390015 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Viren Rathod	03407158	04/05/2019
2	TenkasiRamanarayananSeetharaman	02385221	30/08/2008
3	NalandulaSrinivasaRaoRamachandran	00089348	30/08/2008
4	NalinkantAmratlalRathod	00272129	27/01/2003
5	GopalachariPadmanabhan	00101432	11/07/2009
6	Narayanan Subramanian	02577983	30/01/2010
7	Rajendra Prasad Kandikattu	00143653	31/01/2005
8	YashKaushik Shah	02155636	08/02/2019
9	BharatiNalinRathod	02587701	29/09/2014
10	ShrutiRathod	01948999	06/01/2019

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

Place: Hyderabad
Date : 06.07.20

Signature:
Name: N. Madhavi
Membership No: A16866
CP No: 11732

INDEPENDENT AUDITOR'S REPORT**TO THE MEMBERS OF RESTILE CERAMICS LIMITED****Report on the audit of the Financial Statements**

Qualified Opinion

We have audited the accompanying Financial Statements of RESTILE CERAMICS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash flows for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effect of the matters described in the Basis for qualified opinion paragraph, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended, ("Ind AS") and other Accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the loss and total comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

(i) The Company has generated negative operating cash flows, incurred substantial operating losses and significant deterioration in value of assets used to generate cash flows all of which indicate existence of material uncertainty in the Company's ability to continue as a going concern for a reasonable period of time. The attached financial statements do not include any adjustments that might result had the above uncertainties been known.

(ii) The Company's building is carried in the books at a value of Rs. 673.18 lakhs as at March 31, 2020. Independent valuation of the same during the earlier year had indicated impairment in value of Rs.376.20 lakhs which ought to be recognized in the Statement of Profit and Loss. However, the Company has represented that under the rehabilitation scheme sanctioned by BIFR in 2002, a reserve of Rs.754.44 Lakhs had been created (upon capital reduction) towards adjustment of possible impairment in value of Property, plant and Equipment and that steps are being initiated to adjust the impairment in value against the reserve with the approval of appropriate authorities. Consequently, the said impairment in value of Building has not been recognized in the Financial Statements.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Key Audit Matters

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

Key Audit Matter Description	Response to Key Audit Matter
<p>A. Revenue Recognition</p> <p>Reference may be made to note 1B.6 of significant accounting policies and note 3 to the financial Our statements of the Company.</p> <p>Revenue recognition is inherently an area of audit risk, which we have substantially focused on mainly covering the aspects of cut off. Considering the impact of Ind AS 115 and cut-off are key audit matters</p>	<p>Principal Audit Procedures</p> <p>Audit procedures relating to revenue comprised of test of controls and substantive procedures including the following:</p> <ul style="list-style-type: none"> i. We performed procedures to assess the design and internal controls established by the management and tested the operating effectiveness of relevant controls related to the recognition of revenue. ii. Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls. iii. We have tested, on a sample basis, whether specific revenue transactions around the reporting date has been recognised in the appropriate period by comparing the transactions selected with relevant underlying documentation, including goods delivery notes, customer acknowledgement/proof of acceptance and the terms of sales. iv. We have also validated subsequent credit notes and sales returns up to the date of this Report to ensure the appropriateness and accuracy of the revenue recognition. v. We have tested journal entries on a sample basis to identify any unusual or irregular items.

	<p>vi. We also considered the adequacy of the disclosures in Company's financial statements in relation to Ind AS 115 and were satisfied they meet the disclosure requirements.</p> <p>Conclusion</p> <p>Based on the procedures performed above, we did not find any material exceptions with regards to timing of revenue recognition and were satisfied they meet the disclosure requirements of Ind AS 115 Revenue From contracts with Customer.</p>	
<p>B. Inventory valuation</p> <p>Reference may be made to note 3.10 of significant accounting policies and note 14 to the financial statements of the Company.</p> <p>➤ Under Ind AS 2 Inventories, materials and other supplies held for use in production are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost. The valuation of raw material and other supplies held for production have been an area of our focus in view of loss incurred and the inability to have operating margins. The valuation of finished goods has also been focused upon in view of the production of goods having ceased and the passage of time that has lapsed.</p> <p>➤ Also in view of the possible effect from the pandemic relating to COVID -19, it might be necessary assess that the net realisable value considered for write down of inventories considers possible decline in selling prices, or inventory obsolescence due to lower than expected sales.</p> <p>Considering the above risks valuation of Inventory in accordance with Ind AS 2 has thus been considered as a key audit matter.</p>	<p>Principal Audit Procedures</p> <p>Our audit procedures comprised of the following:</p> <ol style="list-style-type: none"> 1. We performed procedures to assess the design and internal controls established by the management and tested the operating effectiveness of relevant controls related to the valuation of inventory. 2. We have verified the maintenance of Stock Records with respect to Raw materials and Finished Goods. 3. We have selected a sample of items of Raw materials and other supplies held for production to check whether the rate per unit adopted for valuation is reflective of the last purchase rate (Realizable price). Similarly, the rate per unit of various finished goods have been checked on a sample basis as to whether they reflect the net sale price (Realizable price). 4. Also obtained management's assessment of impairment in the value of inventory carried in the books of accounts. <p>Conclusion:</p> <p>Based on the procedures performed above, we have concluded that management has complied with the measurement and disclosure requirements of IND AS 2 "Inventories".</p>	
<p>C. Impairment of Property Plant and Equipment</p> <p>The recoverable value of the Property Plant and Equipment requires significant judgment of the management hence considered to be a significant matter.</p>	<p>Principal Audit Procedures</p> <p>We have performed the following list of audit procedures</p> <ol style="list-style-type: none"> 1. Evaluated the design and effectiveness of internal controls established by the Company relating to assessment of the 	

	<p>impairment</p> <p>2. Obtained and evaluated the management's assessment of impairment.</p> <p>Conclusion: Based on the procedures performed above, we have concluded that management has complied with the measurement and disclosure requirements of IND AS 16, except for the matters stated in the basis of qualified opinion paragraph above.</p>	
<p>D. Non-Payment/delayed payment of Statutory Dues</p> <p>Company has not paid/delayed various Undisputed Statutory dues including Income Tax and applicable Value Added Tax.</p> <p>Payment of statutory dues regularly and within time reflects on the health of the company apart from the need for us to report on issues of non-compliance to members.</p> <p>We have, therefore, considered payment of statutory dues as a key audit matter.</p>	<p>Principal Audit Procedures</p> <p>We have performed the following list of audit procedures.</p> <ol style="list-style-type: none"> 1. Evaluated the design and effectiveness of internal controls established by the Company relating to compliance with statutory dues. 2. Obtained details of payment of various statutory dues to be paid by company. 3. Verified that whether company has been regular in payment of statutory dues. <p>Conclusion</p> <p>Based on the above procedures performed, we noted that</p> <ol style="list-style-type: none"> a. The payment of statutory dues depended upon availability of funds and is being paid with applicable interest and delays noted are disclosed elsewhere in this report. b. The company has to make with respect to AP VAT amounting Rs.7 lakhs. 	

Emphasis of Matter

We draw your attention to Note 42 of the financial statements which explains the uncertainties and the management's assessment of the potential impact due to lock-downs and other restrictions and conditions related to the COVID-19 pandemic situation and consequently the Company's results are highly dependent upon future developments, which are highly uncertain.

Our opinion is not modified in respect of this matter.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report

including Annexures and Shareholder's Information but does not include the financial statements and our auditor's report thereon.

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

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

We have nothing to report in this regard.

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

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

-
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Companies Act, 2013, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

- (c) The Balance Sheet, the Statement of Profit and Loss, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.
- (d) In our opinion, except for matter described in the Basis of Qualified Opinion Paragraph, the aforesaid Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with the relevant rules issued thereunder.
- (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31,2020 from being appointed as a director in terms of Section164(2) of the Companies Act, 2013.
- (f) With respect to the adequacy of the Internal Financial Controls Over Financial Reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure "A". Our report expresses a modified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with requirements of section 197(16) of the Act, as amended:
- (h) In our opinion and to the best of our information and according to the explanations given to us, no remuneration other than applicable sitting fees has been paid by the Company to its directors during the year and hence the compliance with the provisions of the section 197 does not arise.
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanation given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements. (Refer Note 37)
 - ii. The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31,2020.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order,2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For R. SUNDARARAJAN & ASSOCIATES

Chartered Accountants

Registration No. 08282S

S. Krishnan-Partner

Membership No. 26452

UDIN:

July 06,2020

Vadodara

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Restile Ceramics Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable

assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weakness has been identified as at March 31, 2020:

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

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects/possible effects of the material weakness described in paragraph above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company for the year ended March 31, 2020, and the said material weakness has affected our opinion on the financial statements of the Company and we have accordingly, issued a qualified opinion on the financial statements of the Company for the year ended March 31, 2020.

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

S. Krishnan
Partner
Membership No. 26452
UDIN:
July 06, 2020
Vadodara

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date on the accounts of RESTILE CERAMICS LIMITED (“the Company”) for the year ended March 31, 2020)

- (i) In respect of its fixed assets:
- (a) The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets. The same, however, needs to be updated.
- (b) 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.
- (c) On the basis of documents of title produced to us and the information and explanations produced to us, we are of the opinion that the title deeds of immovable properties of the Company are held in its name.
- (ii) Due to the Lockdown imposed by the Central / State Governments in wake of the COVID19 Pandemic, it was not feasible for the Company to carry out a Physical Inventory Count on the date of the Financial Statements, i.e. on 31st March 2020. The Company had therefore, decided to opt for Physical Inventory Count at a date other than the date of Financial Statements and use various Roll Forward Techniques for establishing reasonable authenticity and accuracy of the Inventory as at March 31,2020. We have not attended the Physical Inventory Count in person. As per the management, no material discrepancies have been reported in the verification carried out as above that needs to be dealt with in books of accounts.
- (iii) The Company has not granted any loans, secured or unsecured to firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) According to the information and explanation given to us, the Company has not granted during the year any loans, secured or unsecured, nor made investments, furnished guarantees or provided security to any party covered by provisions of sections 185 and 186 of the Companies Act, 2013. Hence reporting on whether there is a compliance with the said provisions does not arise.
- (v) According to information and explanations given to us, the Company has not accepted any deposits during the year and there are no unclaimed deposits as at March 31, 2020 to which the provisions of section 73 and section 76 or any other relevant provisions of the Companies Act are applicable. Accordingly, the provisions of clause (v) of paragraph 3 of the Order are not applicable to the Company.
- (vi) The maintenance of cost records for the year has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 considering the turnover from business activities carried out by the Company. Thus, reporting under clause 3(vi) of the order is not applicable to the Company.

- (vii) According to the information and explanations given to us and the books of account examined by us, in respect of statutory dues:
- (a) Delays were noticed in depositing undisputed statutory dues including provident fund, employee's state insurance, income tax, Goods and Service tax, and other statutory dues with the appropriate authorities during the year. The arrears of statutory dues outstanding for more than six months as at March 31, 2020 are:

Nature of Dues	Amount (Rs. Lakhs)
Sales Tax	7.00
Income Tax	1.50
Goods and Service Tax	1.11
Property Tax	1.92
AP Pollution Control Board	1.25

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

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

- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of paragraph 3 of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions during the year with its directors or persons connected with him. Hence reporting on whether there is compliance with provisions of section 192 of the Companies Act, 2013 does not arise.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For R.SUNDARARAJAN & ASSOCIATES

Chartered Accountants

Firm Regn No: 08282S

RESTILE CERAMICS LIMITED
Balance Sheet as at March 31, 2020

Rs. In Lakhs

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
(a) Property, plant and equipment	1	1,889.02	2,460.96
(b) Capital work-in-progress	1	196.14	196.14
(c) Financial assets - Deposits	2	4.08	4.08
(d) Other non current assets	3	0.44	0.43
		2,089.68	2,661.61
Current assets			
(a) Inventories	4	234.00	318.13
(b) Financial assets			
(i) Trade receivables	5	7.88	5.76
(ii) Cash and cash equivalents	6	0.18	10.46
(iii) Others	7	38.86	92.05
(c) Other current assets	8	55.79	67.35
		336.71	493.75
TOTAL ASSETS		2,426.39	3,155.36
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	9	9,827.92	9,827.92
(b) Other equity	10	(11,466.21)	(10,814.28)
TOTAL EQUITY		(1,638.29)	(986.35)
LIABILITIES			
Non-current liabilities			
(a) Provisions	11	4.60	13.84
(b) Deferred tax liabilities (net)	12	-	-
		4.60	13.84
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	13	3,922.12	3,923.34
(ii) Trade payables	14		
a) total outstanding dues of Micro, Small and Medium Enterprises		-	-
b) total outstanding dues other than Micro, Small and Medium Enterprises		29.58	86.11
(iii) Other financial liabilities	15	83.52	81.37
(b) Provisions	16	0.77	0.78
(c) Other current liabilities	17	24.09	36.27
		4,060.08	4,127.87
TOTAL EQUITY AND LIABILITIES		2,426.39	3,155.36

Statement on Significant Accounting Policies and accompanying notes are an integral part of the Financial Statements
As per our Report of even date attached

For R.SUNDARARAJAN & ASSOCIATES

Chartered Accountants
Firm Registration No.082825

S.KRISHNAN

Partner
Membership No.26452
UDIN:

Place: Chennai
Date: July 06, 2020

For and on behalf of the Board

VIREN RATHOD
Managing Director
DIN:03407158

T R SEETHARAMAN
Director
DIN:02385221

TRIBHUVAN SIMH RATHOD
Chief Financial Officer

S. RAVI KIRAN
Company Secretary

RESTILE CERAMICS LIMITED
Statement of Profit and Loss for the year ended March 31, 2020

Rs. In Lakhs

Particulars	Note	Year ended 31st March, 2020	Year ended 31st March, 2019
INCOME			
Revenue from operations	18	207.93	205.95
Other income	19	9.47	87.79
Total Income		217.40	293.74
EXPENSES			
Cost of materials consumed	20	8.85	11.88
Purchase of traded goods	21	130.03	157.13
Changes in inventories of finished goods, work-in-progress and stock-in-trade	22	33.08	5.67
Employee benefits expense	23	35.64	35.46
Finance costs	24	0.01	0.03
Depreciation and amortisation expense	25	571.94	572.17
Other expenses	26	90.17	97.34
Total expenses		869.72	879.68
Profit / (Loss) before exceptional items and tax		(652.32)	(585.94)
Exceptional items	27	-	4.82
Profit / (Loss) before tax		(652.32)	(590.76)
Tax expense:			
- Current tax		-	-
- Deferred tax - Net		-	-
		-	-
Profit / (Loss) for the year		(652.32)	(590.76)
Other Comprehensive Income			
A. Items that will not be reclassified to Profit or Loss			
- Remeasurement of defined benefit plans		(0.39)	(0.44)
- Income tax on items that will not be reclassified to Profit or Loss		-	-
B. Items that will be reclassified to Profit or Loss			
- Income tax on items that will be reclassified to Profit or Loss		-	-
Total Other Comprehensive Income		(0.39)	(0.44)
Total Comprehensive Income/(Loss) for the year		(651.93)	(590.32)
Earnings per equity share (Face Value of Rs. 10/- each)			
- Basic and Diluted (in Rs.)	31	(0.66)	(0.60)

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

As per our Report of even date attached

For R.SUNDARARAJAN & ASSOCIATES

Chartered Accountants

Firm Registration No.082825

For and on behalf of the Board
S.KRISHNAN

Partner

Membership No.26452

UDIN:

VIREN RATHOD

Managing Director

DIN:03407158

T R SEETHARAMAN

Director

DIN:02385221

TRIBHUVAN SIMH RATHOD

Chief Financial Officer

S. RAVI KIRAN

Company Secretary

Place: Chennai

Date: July 6, 2020

RESTILE CERAMICS LIMITED			
Statement of cash Flows for the Year ended 31st March ,2020			
Rs. In lakhs			
Particulars		Year ended March 31, 2020	Year ended March 31, 2019
Cash flow from operating activities			
Profit/ (Loss) before tax		(652.32)	(590.76)
<u>Adjustments for -</u>			-
Depreciation & Amortisation expense		571.94	572.17
Finance cost		0.01	0.03
Unclaimed balances written back		(9.43)	(87.57)
Interest income		(0.04)	(0.18)
Remeasurement of defined benefit plans		0.39	0.44
Operating profit/ (loss) before working capital changes		(89.45)	(105.87)
<u>Adjustments for changes in -</u>			
Trade receivables		(2.12)	(3.26)
Inventories		84.13	55.23
Non current and current Financial Assets		53.19	7.79
Other non current and current Assets		11.56	8.84
Trade payables		(56.53)	34.95
Non current and current Financial Liabilities		11.58	11.68
Other Non current and current Liabilities		(12.18)	(18.64)
Other Non current and Current provisions		(9.27)	0.40
Cash generated from operations		(9.09)	(8.88)
Income Tax (net)		-	-
Net cash from operating activities	A	(9.09)	(8.88)
Cash flow from Investing activities			
Interest Received		0.04	0.18
Net cash from investing activities	B	0.04	0.18
Cash flow from financing activities			
Proceeds from current Borrowings		-	3,924.90
Repayments of current Borrowings		(1.22)	(3,923.34)
Interest Paid		(0.01)	(0.03)
Net cash (used in) financing activities	C	(1.23)	1.53
Net increase/(decrease) in cash and cash equivalents	[A+B+C]	(10.28)	(7.17)
Cash and cash equivalents			
At beginning		10.46	17.63
At end		0.18	10.46
Statement on Significant Accounting Policies and accompanying notes are an integral part of the financial statements.			
As per our report of even date			
For R.SUNDARARAJAN & ASSOCIATES		For and on behalf of the Board	
Chartered Accountants			
Firm Registration No.082825			
S.KRISHNAN	VIREN RATHOD	T R SEETHARAMAN	
Partner	Managing Director	Director	
Membership No.26452	DIN:03407158	DIN:02385221	
UDIN:			
Place: Chennai	TRIBHUVAN SIMH RATHOD	S. RAVI KIRAN	
Date: July 06, 2020	Chief Financial Officer	Company Secretary	

RESTILE CERAMICS LIMITED

Statement of Changes in Equity for the year ended March 31, 2020

A. Equity Share Capital

Rs. in lakhs

Balance at the beginning of April 1, 2018	Changes in equity share capital during the year	Balance at the end of March 31, 2019	Changes in equity share capital during the year	Balance at the end of March 31, 2020
9,827.92	-	9,827.92	-	9,827.92

B. Other Equity

Rs. In Lakhs

Particulars	Capital Reduction Reserve	Retained Earnings	Total
	(i)	(ii)	
Balance at the beginning of April 1, 2018	754.44	(10,978.40)	(10,223.96)
Profit/(Loss) for the year	-	(590.76)	(590.76)
Other comprehensive income	-	0.44	0.44
Total Comprehensive Income for the year	-	(590.32)	(590.32)
Balance at the end of March 31, 2019	754.44	(11,568.72)	(10,814.28)
Profit/(Loss) for the year	-	(652.32)	(652.32)
Other comprehensive income	-	0.39	0.39
Total Comprehensive Income/(Loss) for the year	-	(651.93)	(651.93)
Balance at the end of March 31, 2020	754.44	(12,220.65)	(11,466.21)

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

As per our Report attached

For R.SUNDARARAJAN & ASSOCIATES

Chartered Accountants
Firm Registration No.08282S

For and on behalf of the Board

S.KRISHNAN

Partner
Membership No.26452
UDIN:

VIREN RATHOD

Managing Director
DIN:03407158

T R SEETHARAMAN

Director
DIN:02385221

TRIBHUVAN SIMH RATHOD

Chief Financial Officer

S. RAVI KIRAN

Company Secretary

Place : Chennai
Date: July 06,2020

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

Note 1- PROPERTY, PLANT AND EQUIPMENT

Rs. In Lakhs

2019-2020	Gross Carrying Amount				Depreciation/Amortisation				Net Carrying Amount
Description	As at 01.4.2019	Additions	(Deletions)	As at 31.3.2020	As at 01.4.2019	Charge during the year	Disposal	As at 31.3.2020	As at 31.3.2020
Land - Freehold land	65.11	-	-	65.11	-	-	-	-	65.11
Buildings	816.25	-	-	816.25	104.95	38.12	-	143.07	673.18
Plant and Equipment	2,999.76	-	-	2,999.76	1,315.21	533.82	-	1,849.03	1,150.73
Furniture and Fixtures	3.94	-	-	3.94	3.94	-	-	3.94	-
Vehicles	0.02	-	-	0.02	0.02	-	-	0.02	-
Total	3,885.08	-	-	3,885.08	1,424.12	571.94	-	1,996.06	1,889.02

Capital Work in Progress 196.14 196.14

2018-19	Gross Carrying Amount				Depreciation/Amortisation				Net Carrying Amount
Description	As at 01.4.2018	Additions	(Deletions)	As at 31.3.2019	As at 01.4.2018	Charge during the year	Disposal	As at 31.3.2019	As at 31.3.2019
Land - Freehold land	65.11	-	-	65.11	-	-	-	-	65.11
Buildings	816.25	-	-	816.25	66.75	38.20	-	104.95	711.30
Plant and Equipment	2,999.76	-	-	2,999.76	781.38	533.83	-	1,315.21	1,684.55
Furniture and Fixtures	3.94	-	-	3.94	3.80	0.14	-	3.94	-
Vehicles	0.02	-	-	0.02	0.02	-	-	0.02	-
Total	3,885.08	-	-	3,885.08	851.95	572.17	-	1,424.12	2,460.96

Capital Work in Progress 196.14 196.14

Note:

(a) Interm of IndAs 101 and the clarification issued by the institute of Chartered Accountants of India, the company has elected the previous GAAP carrying amount (i.e. Gross cost less accumulated depreciation and impairment) of PPE as at April 1,2016 (transition date) as deemed cost and has accordingly disclosed the same as 'Deemed cost' as on 01.04.2016

(b) The Company has made an assessment of the PPE considering product and technological obsolescence, process change, replacement and realisable value as at 1.4.2016/31.03.2017. This revealed possible impairment in value of building aggregating Rs.376.20 Lakhs. In the light of balance in capital reduction reserve (Refer Note 10), this impairment of Rs.376.20 Lakhs has not been adjusted pending approval of the appropriate authorities. Impairment recognised during the year is Rs.Nil (2019-Nil).

(c) For the amount of contractual commitments for the acquisition of PPE [Refer Note 37]

RESTILE CERAMICS LIMITED		
Notes Annexed to and Forming part of the Financial Statements		
Rs. In Lakhs		
Note 2 - NON-CURRENT FINANCIAL ASSET	As at March 31 2020	As at March 31 2019
Security deposits		
- Considered Good	4.08	4.08
- Considered Doubtful	2.08	2.08
- Less: Provision for doubtful deposits	(2.08)	(2.08)
	-	-
Total	4.08	4.08
Rs. In Lakhs		
Note 3 - NON-CURRENT ASSET	As at March 31 2020	As at March 31 2019
Income Tax Refund receivable	0.44	0.43
	0.44	0.43
Rs. In Lakhs		
CURRENT ASSETS		
Note 4 - INVENTORIES	As at March 31 2020	As at March 31 2019
(a) Raw materials	47.70	56.55
(b) Work-in-progress	-	11.16
(c) Finished goods	105.81	127.73
(d) Stores and spares	80.49	122.69
	234.00	318.13
<p>Note:</p> <p>4.1. Cost of materials consumed (including cost of purchased goods) during the year is Rs.171.96 lakhs (2018-19 Rs.174.68 lakhs) reflected in Note 20, 21 and 22</p> <p>4.2 The amount of write down of inventory recognised as expense during the year is Rs 11.16 lakhs (Refer Note 22) and Rs 42.19 lakhs (Refer Note 26) (2019: Rs. 11.88 Lakhs)</p> <p>4.3 In respect of stores and spares and raw materials, the carrying amount representing cost of item purchased in earlier year is estimated to realise higher values and hence no adjustments have been made to their carrying values.</p>		
Rs. In Lakhs		
Note 5 - TRADE RECEIVABLES	As at March 31 2020	As at March 31 2019
Trade Receivables - Unsecured Considered Good		
-Related Parties	-	-
-Others	7.88	5.76
Total	7.88	5.76

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

Rs. In Lakhs

Note 6 - CASH AND CASH EQUIVALENTS	As at March 31 2020	As at March 31 2019
Balances with banks in current account	0.18	10.46
Cash on hand	-	-
Total	0.18	10.46

Rs. In Lakhs

Note 7 - CURRENT FINANCIAL ASSETS - OTHERS	As at March 31 2020	As at March 31 2019
Unsecured, considered good		
(a) Interest accrued on deposits	-	0.24
(b) Receivable for sale of machinery-Due from Related Party*	38.86	91.81
Total	38.86	92.05

* Refer Note 35.1

Rs. In Lakhs

Note 8 - OTHER CURRENT ASSETS	As at March 31 2020	As at March 31 2019
(Unsecured, considered good)		
a) Prepaid expenses	0.08	0.11
b) Balances with Government authorities - GST Credit	55.71	67.24
Total	55.79	67.35

RESTILE CERAMICS LIMITED

Notes Annexed to and Forming part of the Financial Statements

Rs. In Lakhs

Note 9 - EQUITY SHARE CAPITAL	As at March 31 2020	As at March 31 2019
<u>Authorised</u> 10,00,00,000 (2019: 10,00,00,000) Equity shares of Rs.10 each with voting rights.	10,000.00	10,000.00
9,82,79,239 (2019: 9,82,79,239)Equity shares of Rs.10 each with voting rights	9,827.92	9,827.92
<u>Subscribed and fully paid up</u> 9,82,79,239 (2019: 9,82,79,239)Equity shares of Rs.10 each with voting rights	9,827.92	9,827.92
Total	9,827.92	9,827.92

Notes:

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

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

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

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

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

The equity shareholders are entitled to receive dividends as and when declared, a right to vote in proportion to holding etc.,and their rights, preferences and restrictions are governed by / in terms of their issue under the the provisions of the Companies Act, 2013.

9.4 Shares issued in preceeding 5 years

Aggregate number of shares allotted as fully paid up pursuant to contract without payment being receivede on cash,bonus shares and shares bought back in the 5 years immediately preceeding the Balance Sheet date- Nil (2019-Nil)

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

		Rs. In Lakhs	
Note 10 - OTHER EQUITY		As at March 31 2020	As at March 31 2019
A) Capital Reduction Reserve	A	754.44	754.44
B) Retained earnings	B	(12,220.65)	(11,568.72)
Total		(11,466.21)	(10,814.28)

Notes:

10.1 Capital Reduction Reserve of Rs.754.44 lakhs arose out of reduction in Equity Share Capital effected in Financial Year 2002-03 in terms of the order of the Board for Industrial and Financial Reconstruction (BIFR) dated December 18, 2002 and represents a reserve created towards adjustment of possible impairment in value of Property, Plant and Equipment under the rehabilitation scheme sanctioned by BIFR in 2002. Independant Valuation carried out has indicated impairment in value of building as at April 1,2017 to the extent of Rs.376.20 lakhs only. Steps are being initiated to adjust the impairment in value against the reserve with the approval of appropriate authorities.

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

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

		Rs. In Lakhs	
Note 11 - NON-CURRENT PROVISIONS		As at March 31 2020	As at March 31 2019
Provision for employee benefits:			
a) Gratuity		4.17	13.43
b) Leave Encashment		0.43	0.41
Total		4.60	13.84

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

Particulars	Balance as at 31.03.2019	Addition/ (Reversal)	Balance as at 31.03.2020
Gratuity	14.09	(9.31)	4.78
Leave encashment	0.53	0.06	0.59

RESTILE CERAMICS LIMITED

Notes Annexed to and Forming part of the Financial Statements

Rs. In Lakhs

Note 12 - DEFERRED TAX LIABILITY	As at March 31 2020	As at March 31 2019
Deferred Tax (Assets)	(211.77)	(318.85)
Deferred Tax Liability	211.77	318.85
Total	-	-

Refer Note 31.2 for details

Rs. In Lakhs

Note 13 - CURRENT FINANCIAL LIABILITIES-BORROWINGS	As at March 31 2020	As at March 31 2019
Unsecured- Related Parties (Refer Note 35.1) - From Directors*	3,922.12	3,923.34
Total	3,922.12	3,923.34

* Interest Free borrowing from director

Rs. In Lakhs

Note 14 - CURRENT FINANCIAL LIABILITIES- TRADE PAYABLES	As at March 31 2020	As at March 31 2019
Trade Payables		
a) Total outstanding dues of micro enterprises and small businesses	0	0
b) Total outstanding dues of creditors other than micro enterprises and small businesses	29.58	86.11
Total	29.58	86.11

*Refer Note 28

Rs. In Lakhs

Note 15 - CURRENT FINANCIAL LIABILITIES - OTHERS	As at March 31 2020	As at March 31 2019
a) Dues to employees	27.81	27.67
b) Creditors for expenses	10.07	8.07
c) Security Deposits	45.50	45.5
d) Others	0.14	0.13
Total	83.52	81.37

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

Rs. In Lakhs

Note 16 - CURRENT PROVISIONS	As at March 31 2020	As at March 31 2019
Provision for employee benefits:		
a) Gratuity	0.61	0.66
b) Leave encashment	0.16	0.12
Total	0.77	0.78

16.1. Refer Note 11.1 with regard to movement in provisions

Rs. In Lakhs

Note 17 - OTHER CURRENT LIABILITES	As at March 31 2020	As at March 31 2019
a) Contract Liabilities-Refer note 39(b)	15.26	15.04
b) Statutory dues	8.83	21.23
Total	24.09	36.27

Note 18 Revenue from Operations

Rs. In Lakhs

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
(a) Sale of Goods		
- Virtrified Tiles	197.21	190.15
- Spares	0.00	10.19
(b) Other Operating Revenue		
- Others	10.72	5.61
Total	207.93	205.95

Note 19 Other income

Rs. In Lakhs

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
(a) Interest income	0.04	0.18
(b) Unclaimed balances written back	9.43	87.57
(c) Miscellaneous income	0.00	0.04
Total	9.47	87.79

RESTILE CERAMICS LIMITED
Notes forming part of the financial statements

Note 20. Cost of Materials consumed

Rs. In Lakhs

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
Opening stock	56.55	68.43
Add: Purchases	-	-
Less: Closing stock	47.70	56.55
Cost of material consumed	8.85	11.88

20.1. Value of Indigenous material in consumption (100%) 8.85 11.88

Note 21. Purchase of Stock In Trade

Rs. In Lakhs

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
Unglazed fully vitrified ceramic Tiles	130.03	157.13
Total	130.03	157.13

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

Rs. In Lakhs

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
<u>Inventories at the beginning of the year:</u>		
Finished goods	127.73	125.87
Work-in-progress	11.16	18.69
	138.89	144.56
<u>Inventories at the end of the year:</u>		
Finished goods	105.81	127.73
Work-in-progress	-	11.16
	105.81	138.89
(Increase)/decrease in value of Finished goods and Work-in-process	33.08	5.67

Note 23 Employee benefits expense

Rs. In Lakhs

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
Salaries, Wages and Bonus	32.18	31.22
Contributions to provident and other funds	1.27	1.34
Gratuity	0.78	0.82
Staff welfare expenses	1.41	2.08
Total	35.64	35.46

Note 24 Finance costs

Rs. In Lakhs

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
Bank Charges	0.01	0.03
Total	0.01	0.03

RESTILE CERAMICS LIMITED**Notes forming part of the financial statements****Note 25 Depreciation and Amortisation Expense****Rs. In Lakhs**

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
(a) Buildings	38.12	38.20
(b) Plant and Equipment	533.82	533.83
(c) Furniture and Fixtures	-	0.14
Total	571.94	572.17

RESTILE CERAMICS LIMITED**Notes forming part of the financial statements****Note 26 Other expenses****Rs. in lakhs**

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
Consumption of stores and spare parts	42.19	37.68
Power and fuel	9.17	9.37
Rent	0.24	0.24
Repairs and maintenance - Others	1.17	2.14
Insurance	0.61	0.64
Rates and taxes	8.30	8.65
Communication expenses	0.75	0.76
Sales commission	-	8.26
Business promotion	4.22	1.75
Legal and professional	4.15	5.30
Payments to auditors	4.00	3.50
Directors Sitting Fees	2.07	2.17
Vehicle expenses	0.13	1.38
Listing Fees	4.50	3.60
AGM Expenses	6.95	10.55
Miscellaneous expenses	1.72	1.35
Total	90.17	97.34

26.1 Payments to the auditors comprises :

Rs. In Lakhs

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
- Towards Statutory Audit	3.50	3.50
- Towards Tax Audit	0.50	-
Total	4.00	3.50

26.2 Rent expense represents rent on low value assets

0.24

0.24

Note 27 Exceptional Item**Rs. In Lakhs**

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
Rates and Taxes		4.82
Total	-	4.82

STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

1A. General information

Company Background:

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

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

1B.1 Basis of Preparation and Presentation

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

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

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

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

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

All assets and liabilities have been classified as current or non-current as per the Company’s normal operating cycle and other criteria set out in the schedule III to the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the

Company has determined its operating cycle as twelve months for the purpose of current – non-current classification of assets and liabilities.

Compliance with Ind AS

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

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

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables and unbilled revenues. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has used as at the date of approval of these financial statements, internal and external sources of information and based on current estimates expects the carrying amount of these assets will be recovered.

Recent accounting pronouncements

- i) The Company has adopted Ind AS 116 'Leases' with the date of initial application being April 1, 2019. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The standard sets out principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. There were no long-term leases entered into by the Company prior to April 1, 2019 and hence Ind AS 116 has become applicable only to new contracts entered into by the Company post implementation.
- ii) Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments: On March 30, 2019, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments which clarifies the application and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. The current and deferred tax asset or liability shall be recognized and measured by applying the requirements in Ind AS 12 based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined by applying this appendix. The amendment is effective from April 1, 2019. The Company has evaluated the effect of this amendment on the financial statements and concluded that there is no significant impact.
- iii) Amendment to Ind AS 19 'Employee Benefits': On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 19 'Employee Benefits' in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost,

or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The amendment is effective from April 1, 2019. The Company has evaluated the effect of this amendment on the financial statements and concluded that this amendment is currently not applicable.

- iv) Amendment to Ind AS 12 'Income Taxes': On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 12 'Income Taxes'. The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109 when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The amendment is effective from April 1, 2019. The Company has evaluated the effect of this amendment on the financial statements and concluded that there is no significant impact.

The Company has not early adopted any standards or amendments that have been issued but are not yet effective.

1B.2 Property, Plant and Equipment depreciation

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

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

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

Deemed cost on transition to Ind AS:

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

Depreciation/ amortisation:

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

Freehold land is not depreciated

De-recognition:

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

Impairment losses

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

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

1B.3 Leases

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

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

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

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

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

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

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

The Company currently does not have an lease arrangements.

1B.4 Inventories

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

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

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

Cost includes taxes and duties and is net of eligible credits under Indirect taxes applicable.

Obsolete / slow moving inventories are adequately provided for.

1B.5 Foreign currency transactions and derivatives

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

1B.6 Revenue recognition

Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 is applicable from FY 2018-19 and it replaces Ind AS 18. It applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. It also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. The company has adopted the modified retrospective method of applying Ind AS 115 Revenue from Contract with customers in its initial year of application.

Revenue is measured at the fair value of the consideration received or receivable.

Sale of goods

Revenue from sale of products is recognised at the point in time when control of the asset is transferred to the customer, generally when the product is shipped to the customer. The revenue from sale of vehicles is based on the terms of the tender.

The Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less. Thus, there is no significant financing component.

Other Revenues

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

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

1B.7 Employee benefits

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

Retirement benefit costs and termination benefits:

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

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

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

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

Re-measurement of net defined benefit liability/ asset pertaining to gratuity comprise of actuarial gains/ losses (i.e. changes in the present value resulting from experience adjustments and effects of changes in actuarial assumptions) and is reflected immediately in the balance sheet with a charge or credit

recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.

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

Short-term and other long-term employee benefits:

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

1B.8 Income taxes

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

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

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

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

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

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

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

1B.9 Provisions and contingencies

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

1B.10 Financial Instruments

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

Classification of financial assets

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

Initial recognition:

(i) Financial assets (other than investments) are subsequently measured at amortised cost using the effective interest method. Effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Investments in debt instruments that meet the following conditions are subsequently measured at amortised cost

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

Impairment of financial assets:

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

De-recognition of financial assets:

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

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

Financial liabilities and equity instruments:

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

Equity instruments

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

Financial liabilities

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

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

De-recognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing

financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

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

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

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

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

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

Inventories

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

Taxation

Tax expense is calculated using applicable tax rate and laws that have been enacted or substantially enacted. In arriving at taxable profit and all tax bases of assets and liabilities, the Company determines the taxability based on tax enactments, relevant judicial pronouncements and tax expert opinions, and makes appropriate provisions which includes an estimation of the likely outcome of any open tax assessments / litigations. Any difference is recognised on closure of assessment or in the period in which they are agreed. Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, unabsorbed depreciation and unused tax credits could be utilized.

As per our Report attached

For and on behalf of the Board

For R.SUNDARARAJAN& ASSOCIATES

Chartered Accountants

Firm Registration No..08282S

Virenathod

Managing Director

(DIN:3407158)

T R Seetharaman

Director

(DIN:02385221)

S.KRISHNAN

Partner

Membership No..26452

TribhuvanSimhRathod

Chief Financial Officer

S. Ravi kiran

Company Secretary

Place :chennai

Date :6.7.20

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 circularNo 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 theCompany.

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

Let's be part of this 'Green Initiative'

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

E-COMMUNICATION REGISTRATION FORM

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

Folio No. /DPID&ClientID :
Name of 1stRegisteredHolder :
Name ofjointHolder(s) :
RegisteredAddress :
E mail ID (toberegistered) :

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