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**RESTILE**  
CERAMICS LIMITED

**FOURTEENTH ANNUAL REPORT 1999-2000**

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**BOARD OF DIRECTORS**

Shri C.S. Pani	-	Chairman
Shri R Sivasailam	-	Director
Shri K S Purohit	-	Director
Shri J. Narasimha Rao	-	Nominee – APIDC
Shri R. Kandaswami	-	Nominee – ICICI
Shri V. Padmakar	-	Managing Director
Shri K. Krishna Rao, B.Com., FCA & ACS	-	General Manager (Fin)& Company Secretary

**AUDITORS**

Lalith Prasad and Co.  
Chartered Accountants  
Flat No. 402, Golden Green Apts.  
Erramanzil Colony  
Hyderabad – 500 082

**SHARETRANSFER AGENTS**

Sathguru Management Consultants Pvt.Ltd.  
Plot No. 15, Hindi Nagar  
Punjagutta  
Hyderabad – 500 034

**BANKERS**

State Bank of India  
Industrial Finance Branch  
Somajiguda  
Hyderabad

**REGISTERED OFFICE AND  
FACTORY**

Malkapur Village  
Hatnoor Mandal  
Narsapur Taluk  
Medak District  
Andhra Pradesh

**ADMINISTRATIVE OFFICE**

1-10-177  
Varun Towers  
3<sup>rd</sup> Floor, Begumpet  
Hyderabad – 500 016

## NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the **FOURTEENTH ANNUAL GENERAL MEETING** of the Members of the Company will be held on **Thursday, the 30th day of November, 2000 at 9.30 A.M. at the Regd. Office of the Company at Malkapur Village, Hatnoor Mandal, Narsapur Taluk, Medak District, Andhra Pradesh** to transact the following business:

### ORDINARY BUSINESS :

1. To consider and adopt the Balance Sheet as at 31<sup>st</sup> March, 2000 and Profit and Loss Account for the year ended on that date along with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri K S Purohit who retires by rotation and being eligible, to offers himself for reappointment.
3. To appoint a Director in place of Shri R Sivasailam who retires by rotation and being eligible, to offers himself for reappointment.
4. To appoint Auditors of the Company and to fix their remuneration.

### SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approvals, consents, permissions and /or sanctions, as may be prescribed by any of them, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board"), to offer, issue and allot to any person or persons whether or not

a member of the Company hereinafter referred to as "investors" at one time or from time to time, an aggregate amount not exceeding Rs. 325.00 lakhs (Rupees three hundred and twenty five lakhs only) divided into 32,50,000 (Thirty two lakhs fifty thousand only) Equity shares of Rs. 10/- each for cash at par."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to reserve part or parts of such issue for preferential/firm allotment to the existing promoters, directors and employees and/or associates or any other person whether or not a member of the Company."

"RESOLVED FURTHER THAT the said shares be allotted subject to the Memorandum and Articles of Association of the Company and shall rank pari passu in all respects with the existing equity shares of the Company except that with respect to dividend declared for the financial year of the Company in which the said equity shares are allotted, they shall qualify for dividend only on prorata basis on the amount paid-up on them from the date of the said allotment."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to settle any question or difficulty that may arise in this regard and to take all steps which the Board in its absolute discretion considers necessary, proper or expedient for implementing this resolution."

By Order of the Board  
for **RESTILE CERAMICS LIMITED**

Hyderabad  
October 27, 2000

**K. KRISHNA RAO**  
GENERAL MANAGER (FIN.) &  
COMPANY SECRETARY

**NOTES :**

- A. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
- B. The related explanatory statement pursuant to Section 173 of the Companies Act, 1956 in respect of item No. 5 is annexed hereto.
- C. The Register of Members and Share Transfer Books of the Company will remain closed from 25.11.2000 to 30.11.2000 (inclusive of both days).
- D. *Members are requested to notify any change in their address to the Company's Share Transfer Agents.*

Your Company's Securities are listed at the following Stock Exchanges and the Company is regular in paying the Annual Listing Fee to these Exchanges :

## Name &amp; Address of the Stock Exchanges

1. The Hyderabad Stock Exchange Ltd.  
3-6-275, Himayatnagar,  
Hyderabad - 500 029
2. The Stock Exchange, Mumbai  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai - 400 001
3. The Stock Exchange, Ahmedabad  
Kamdhenu Complex,  
Near Polytechnic, Panjarapole,  
Ahmedabad - 380 015

**ANNEXURE TO NOTICE****EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956****Item No. 5 :**

The Authorised Share Capital of the Company is Rs. 1500.00 lakhs. The paid-up capital as on 31<sup>st</sup> March, 2000 is Rs. 944.30 lakhs.

As per One Time Settlement Scheme as has been finalized by the Operating Agency, ICICI and Board for Industrial and Financial Reconstruction (BIFR), the Promoter Director and his associates are required to infuse further funds in the form of share capital towards their contribution as part of the package, hence, the special resolution under Section 81 (1A) of the Companies Act, 1956.

Since, the validity of the special resolution passed by the Members at 13<sup>th</sup> Annual General Meeting has elapsed, the Board recommends the above resolution for approval of the members.

None of the Directors except the promoter director is deemed to be interested in the resolution.

By Order of the Board  
for **RESTIL CERAMICS LIMITED**

**K. KRISHNA RAO**  
GENERAL MANAGER (Fin.)  
COMPANY SECRETARY

Hyderabad  
October 27, 2000

**DIRECTORS' REPORT**

To

The Members

Your Directors have pleasure in presenting their Fourteenth Annual Report together with the Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2000.

**1. FINANCIAL RESULTS:**

During the period under review, the Company's performance has been as under :

	(Rs. in lakhs)	
	1999-2000	1998-99
Sales and Other Income	1874.85	1770.62
Gross Profit	301.69	306.41
Interest and Financial Charges	171.70	477.39
Depreciation	94.80	91.87
Net Profit/(Loss) for the year	35.19	(262.85)

**2. OPERATIONS :**

During the year under review, due to the production of high value added industrial tiles, the Production has decreased from 4,30,809 sq.mtrs. to 4,19,382 sq.mtrs. However, sales volume and values have gone up from 4,24,571 sq. mtrs. to 4,38,163 sq. mtrs. in the current year and from Rs.1754.42 lakhs to Rs.1844.96 lakhs respectively. Due to the general increase in input costs and continued downward pressure on the selling prices arising out of severe competition, the Gross Profit before interest and depreciation has marginally decreased from Rs. 306.41 lakhs to Rs. 301.69 lakhs.

**3. DRAFT REHABILITATION SCHEME - BIFR :**

BIFR vide its letter No. 33/98(II), dated 08.10.1999 has circulated the Draft Rehabilitation Scheme in terms of which a sum of Rs.1300.00 lakhs towards One Time Settlement of the dues to the Financial Institutions will become payable.

**4. FUTURE OUTLOOK :**

With the continuous Research and Development efforts, your Company has been able to stabilize the production and marketing of industrial and larger sized tiles. Conscious and unstinted efforts in cost reduction and product mix and with the Rehabilitation Scheme in place, your Company is confident of achieving total turnaround and quantum leap in performance and profitability during the current year.

**5. RESEARCH & DEVELOPMENT :**

In addition to the development of larger sizes, the Research and Development department is engaged, on a continuing basis in Process Improvement, Cost Reduction, Energy and Fuel Conservation and the Productivity improvement.

**6. PUBLIC DEPOSITS :**

Your Company has not accepted any deposits within the meaning of Section 58A of the Companies Act, 1956 and the Rules framed thereunder.

**7. DIRECTIORS :**

Shri K.S. Purohit and Shri R. Sivasailam retire by rotation and being eligible, offer themselves for reappointment.

**8. AUDITORS :**

M/s. Lalith Prasad and Co., Chartered Accountants, Hyderabad, Statutory Auditors of the Company holding office until the conclusion of the ensuing Annual General Meeting. The Company has received a letter from them to the effect that their appointment, if made, would be within the prescribed limits under Section 224 (1B) of the Companies Act, 1956 and are eligible for reappointment.

**9. PARTICULARS OF EMPLOYEES :**

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

**10. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO :**

A statement giving details of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo in accordance with the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988 is annexed hereto and the same forms an integral part of this report.

**11. Y2K COMPLIANCE :**

All the systems in the Company are Y2K Compliant.

**12. INDUSTRIAL RELATIONS :**

The Industrial Relations in your Company have been cordial during the year.

**13. ACKNOWLEDGEMENTS :**

The Directors have pleasure in recording their appreciation of the assistance extended to the Company by various officials of the Central and State Governments and also by Members of the participating Financial Institutions and Commercial Banks.

The Directors wish to place on record their appreciation of the unstinted cooperation extended and valuable contribution made by the employees at all levels.

On behalf of the Board  
for RESTILE CERAMICS LIMITED

Hyderabad  
October 27, 2000

**C. S. PANI**  
CHAIRMAN

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