

RESTILE CERAMICS LIMITED

29th Annual Report 2014-15

BOARD OF DIRECTORS

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

SHAREHOLDERS' INFORMATION

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

NOTICE TO MEMBERS

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

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

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

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

SPECIAL BUSINESS

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

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

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

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

By Order of the Board of Directors

Sd/-

Place: Singapore

Date: 24th July, 2015

Nalinkant Amratlal Rathod

(DIN 00272129)

Chairman

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The proxy in order to be effective must be received by the company at its registered office not less than 48 hours before the commencement of the meeting.
3. Members/proxies are requested to bring their copies of Annual Report and the attendance slip duly filled in for attending the meeting. Copies of the Annual Reports will not be provided at the meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 12th September 2015 to 19th September 2015.
5. Members are requested to notify any change in their addresses to the Company's Share and Depository Transfer Agents. Members are also requested to intimate their email to the company's share and depository agent.
6. Members holding shares in physical form are requested to convert their holdings into Demat. The Company's Id with CDS (I) L and NSDL is INE298E01022. The Company's Registrar and Share Transfer Agents are M/S.CAMEO CORPORATE SERVICES LIMITED, "SubramanianBuilding"1, Club House Road, Chennai 600 002.
7. Members desiring any information as regards accounts are requested to write to the Company at least seven days before the date of the meeting to enable the management to keep the information ready at the meeting.
8. Copies of Annual Report are being sent by electronic mode only to all the members whose email address are registered with Company/Depository participant for communication purposes unless any member requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the Annual Report 2015 are being sent by the permitted mode.
9. The shares of the Company are listed with Mumbai Stock Exchange. The Listing Fee for the year 2014-2015 has been paid to Stock Exchange.
10. Brief resume of the Directors seeking reappointment and other details as stipulated under clause 49 of the Listing Agreement, are provided as part of the report on Corporate Governance.
11. Shareholders holding shares in physical form are invited to contribute to the cause of Green Initiative by registering their e-mail ID, by submitting the E- COMMUNICATION REGISTRATION FORM inserted in the Annual Report.
12. Voting through Electronic Means:

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

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

The instructions for shareholders voting electronically are as under:

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

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

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

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

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

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

By Order of the Board of Directors

Sd/-

Place: Singapore

Date: 24th July, 2015

Nalinkant Amratlal Rathod

(DIN 00272129)

Chairman

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 forming part the 29th Annual General Meeting of the Company**Item No.2**

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

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

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

Item No.4

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

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

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

By Order of the Board of Directors

Sd/-

Place: Singapore

Date: 24th July, 2015

Nalinkant Amratlal Rathod

(DIN 00272129)

Chairman

DIRECTORS' REPORT

To the Members:

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

1. Financial Results

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

2. Company Performance

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

3. Fixed Deposits:

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

4. Board of Directors:

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

5. Key Managerial persons:

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

6. Internal Controls and Systems:

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

7. Details of significant Material orders:

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

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

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

9. Auditors and Audit Report

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

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

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

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

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

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

10. Cost Audit:

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

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

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

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

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

13. Whistle Blower Policy:

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

14. Remuneration and Nomination policy:

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

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

15. Board Evaluation:

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

16. Implementation of Risk Policy:

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

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

17. Corporate Social Responsibility:

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

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

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

19 RESERVES

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

20. INFORMATION ABOUT SUBSIDIARY / JOINT VENTURES:

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

21.SHARE CAPITAL

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

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

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

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

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