

Restile Ceramics Limited

31st Annual Report 2016-17

BOARD OF DIRECTORS

Sri. Nalinkant Amratlal Rathod	-	Chairman
Sri. Tribhuvan Simh Rathod	-	Managing Director
Sri. Ramachandran N.S	-	Independent Director
Sri. N S Mani	-	Independent Director
Sri. K.Rajendra Prasad	-	Nominee Director - APIDC
Sri. Seetharaman TR	-	Independent Director
Sri. G.Padmanabhan	-	Independent Director
Smt. Bharathi Rathod	-	Woman Director
Sri. Kaushik Dhirajlal Shah	-	Independent Director

KEY MANAGERIAL PERSONS

Mr. Subba Rao Maddula	-	Chief Financial Officer
Ms. Rekha Singh	-	Compliance Officer & Company Secretary

SHAREHOLDERS' INFORMATION

Annual General Meeting	31st AGM on 21st September 2017
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	State Bank of India SME Adyar Chennai-600020 Sanga Reddy Branch, Sanga Reddy, Medak – 502 001
Registered Office & Factory Location	Malkapur Village, Hatnoora Mandal, Narsapur Taluk, Medak District - 502 296, Telangana www.restile.com
CIN	L26931TG1986PLC006480
Book Closure Date	14.9.17 to 21.9.17 (Both days inclusive)
Listing	Bombay Stock Exchange Ltd
ISIN NO	INE298E01022
Stock Code	515085
Evoting Dates	17.9.17 to 20.9.17
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 31st Annual General Meeting of the Members of the Company will be held at 11.30.A.M on 21st September 2017 at the registered office of the Company situated at Malkapur Village, Hat-noora Mandal, Narsapur Taluk, and Medak District-502 296, Telangana to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2017, 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 thereon.
2. To appoint Sri Nalinkant Amratlal Rathod (DIN: 00272129) as Director who retires by rotation and is eligible for reappointment.
3. To appoint Smt Bharathi Nalin Rathod (DIN: 02587701) as Director who retires by rotation and is eligible for re-appointment
4. 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.”

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 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.”

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.”

By Order of the Board of Directors

Sd/-

Nalinkant Amratlal Rathod

(DIN 00272129)

CHAIRMAN

Place : Chennai

Date : 21st August 2017

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 14th September 2017 to 21st September 2017.
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, "Subramanian Building", 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 2016 are being sent by the permitted mode.
9. The shares of the Company are listed with Bombay Stock Exchange. The Listing Fee for the year 2016-2017 has been paid to Stock Exchange.
10. Brief resume of the Directors seeking reappointment and other details as stipulated under SEBI (LODR) Regulation, 2015, are provided as part of the AGM Notice.
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 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).
13. The procedure and instruction for e-voting are as under:
 - (i) The voting period begins on 17th September, 2017 at 9.00 a.m. and ends on 20th September, 2017 at 5.00 p.m. 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 14th September 2017, 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.
- (v) Now Enter your User ID
- For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (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 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 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 1 then enter RA00000001 in the PAN field.
DOB	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.
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).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) 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.
- (xi) For Members 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 available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xx) **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 e-mailed 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.

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 : Chennai

Date : 21st August 2017

Nalinkant Amratlal Rathod

(DIN 00272129)

CHAIRMAN

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 forming part the 31st Annual General Meeting of the Company

Item No.2

Mr. Nalinkant Amratlal Rathod (DIN: 00272129), Director of the Company, retiring by rotation at the ensuing AGM under the provisions of the Companies Act, 2013. In terms of section 152 and other applicable provisions of the Companies Act, 2013. Mr. Nalinkant Amratlal Rathod being eligible, offer himself for re appointment.

His other directorships include M/s. Bell Granito Ceramica Limited, M/s. Atreya Finance Private Limited and M/s. Restile Marketing Private Limited. He is holding 81,26,383 shares in the Company.

The Company has received from Mr. Nalinkant Amratlal Rathod, consent in writing to act as Director liable to retire by rotation. Except Mr. Nalinkant Amratlal Rathod being an appointee, and Mr. Tribhuvan Simh Rathod & Mrs Bharathi Nalin Rathod being relatives of Mr. Nalinkant Amratlal Rathod, 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 SEBI (LODR) Regulations, 2015 with the Stock Exchange.

Item No.3

Smt. Bharathi Nalin Rathod (DIN: 02587701), Director of the Company, retiring by rotation at the ensuing Annual General Meeting under the provisions of the Companies Act, 2013. In terms of section 152 and other applicable provisions of the Companies Act, 2013. Smt. Bharathi Nalin Rathod being eligible, offer herself for re-appointment.

Her other directorships include M/s. Atreya Finance Private Limited, M/s. Sologuard Medical Devices Private Limited and M/s. AVP Trading Private Limited & Bell Granito Ceramica Limited.

The Company has received from Smt. Bharathi Nalin Rathod, consent in writing to act as Director liable to retire by rotation, Except Smt. Bharathi Nalin Rathod being an appointee and Sri. Nalinkant Amratlal Rathod and Mr. Tribhuvan Simh Rathod being relatives of Smt. Bharathi Nalin Rathod, 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. 3

This explanatory statement may also be regarded as a disclosure under SEBI (LODR) Regulations, 2015 with the Stock Exchange

Item No.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 Directors recommends the resolution for members' approval as a Special Resolution pursuant to Section 180(1) (a) & 180 (1) (c) of the Companies Act, 2013.

None of the Directors, Key Managerial persons and relatives is interested or concerned in passing of the resolution

By Order of the Board of Directors
Sd/-
Nalinkant Amratlal Rathod
(DIN 00272129)
CHAIRMAN

Place : Chennai
Date : 21st August 2017

DIRECTORS' REPORT

To the Members

The Directors are pleased to present the 31st Annual Report of the Company together with its Audited Financial Statements for the year ended March 31, 2017.

Financial Results

Particulars	₹ Lakhs	
	2016-17	2015-16
Gross Sales	25.95	319.28
Other Income	123.32	20.76
EBITDA	(55.39)	(191.38)
Interest and Financial charges	3.04	26.14
Depreciation	690.44	785.35
Profit/(Loss) before taxes	(748.87)	(1003.60)
Provision for taxes	0	3.12
Profit / (Loss) carried to Balance Sheet	(748.87)	(1006.72)

Company Performance

The Company achieved a turnover of ₹ 25.95 Lakhs for the period ended March 31, 2017; decreased by ₹ 293.33 Lakhs (91.88%) as compared to previous year.

The total expenditure for the period ended March 31, 2017 stood at ₹ 895.95 Lakhs, decreased by ₹ 447.99 Lakhs (33.33%) as compared to previous year.

The Loss (EBITDA) before Depreciation, Finance Cost and Tax for the year ended March 31, 2017 amounted to ₹ 55.93 Lakhs, decreased by ₹ 135.45 Lakhs (70.78%) as compared to previous year.

The Loss before tax and Exceptional item(s) for the year ended March 31, 2017 amounted to ₹ 748.87 Lakhs, decreased by ₹ 254.73 Lakhs (25.38%) as compared to previous year.

The provision for tax for the year ended March 31, 2017 was NIL. The Loss after tax for the year ended March 31, 2017 stood at ₹ 748.87 Lakhs as against a loss of ₹ 1006.72 Lakhs of the previous year. No transfer was made to General reserve during the year ended March 31, 2017.

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, 2017.

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

Borrowings

The Company's borrowings as at March 31, 2017 stood at ₹ 4,146.48 lakhs as against ₹ 3365.40 lakhs as at March 31, 2016.

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 no transactions during the year which would require disclosure in Form AOC 2.

Implementation of Risk Policy

The Company has constituted a Risk Management Committee voluntarily as a measure of good governance and management practice. The 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 Company's competitive advantage. The risk framework defines the risk management approach across the Company at various levels including documentation and reporting.

The Policy framework enables the Company to evaluate risks, appropriately rate these risks and grade the same in accordance with their potential impact and likelihood. 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.