

# **Restile Ceramics Limited**

*32<sup>nd</sup> Annual Report 2017-18*

## 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. Seetharaman TR	- Independent Director
Sri G.Padmanabhan	- Independent Director
Smt Bharathi Rathod	- Women Director
Sri. Kaushik Dhirajlal Shah	- Independent Director
Sri K.Rajendra Prasad	- Nominee Director - APIDC

## KEY MANAGERIAL PERSONS

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

## SHAREHOLDERS' INFORMATION

<b>Annual General Meeting</b>	32nd AGM on 17th September 2018
<b>Venue</b>	At Registered office at 204, Sakar complex, Opp. ABS Tower, Vaccine Crossing, Old Padra Road, Baroda- 390 015
<b>Auditors</b>	<b>M/s. M. S. Krishnaswami &amp; Rajan</b> Chartered Accountants GB, Anand Apartments, JP Avenue, Dr. Radhakrishnan Road, 6th Street, Chennai -600 004.
<b>Bankers</b>	<b>a) State Bank of India</b> SME Adyar Chennai-600020 <b>b) State Bank of India</b> Sanga Reddy Branch, Sanga Reddy, Medak – 502001
<b>Factory Location</b>	Malkapur Village, Hatnoora Mandal, Narsapur Taluk, Medak District-502 296, Telangana <a href="http://www.restile.com">www.restile.com</a>
<b>CIN</b>	L26931GJ1986PLC102350
<b>Book Closure Date</b>	10/09/2018 to 17/09/2018 (Both days inclusive)
<b>Listing</b>	<b>Bombay Stock Exchange Ltd</b>
<b>ISIN NO</b>	INE298E01022
<b>Stock Code</b>	515085
<b>Evoting Dates</b>	13/09/2018 to 16/09/2018
<b>Registrars &amp; Share Transfer Agents</b>	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 32<sup>nd</sup> Annual General Meeting of the Members of the Company will be held at 10.00.A.M on 17<sup>th</sup> September 2018 at the registered office of the Company situated at **204, Sakar Complex, Opp. ABS Tower, Vaccine Crossing, Old Padra Road, Baroda- 390 015** to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2018, 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 being eligible offers himself for reappointment.
3. To appoint Smt Bharati Nalin Rathod (DIN: 02587701) as Director who retires by rotation and being eligible for herself 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 taxes, out-of-pocket, travelling expenses etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

### SPECIAL BUSINESS

#### 5. Re-appointment of Mr. Tribhuvan Simh Rathod as Managing 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 recommendation of the Board of Directors, Nomination and Remuneration Committee, subject to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification or re-enactment thereof) read with Schedule- V of the Companies Act, 2013 and Articles of Association of the Company, approval of the members of the Company be and is hereby accorded to the re-appointment of Mr. Tribhuvan Simh Rathod (DIN: 01996833), as Managing Director of the Company for a period of one year with effect from 12<sup>th</sup> August, 2018 to 11<sup>th</sup> August, 2019 without remuneration.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution.”

#### 6. 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.”

**7. 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/-

Place: Vadodara

Nalinkant Amratlal Rathod

Date: 26<sup>th</sup> June 2018

(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 10<sup>th</sup> September 2018 to 17<sup>th</sup> September 2018.
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 2018 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 2017-2018 has been paid to Stock Exchange.
10. 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.
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 13<sup>th</sup> September, 2018 on 09:00 A.M. and ends on 16<sup>th</sup> September, 2018 05:00 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 07/09/2018, 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](http://www.evotingindia.com).
  - (iv) Click on Shareholders.
  - (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. 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](http://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"> <li>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.</li> <li>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.</li> </ul>
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"> <li>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).</li> </ul>

- (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](http://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](mailto: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](mailto: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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

By Order of the Board of Directors

Sd/-

**Place:** Vadodara

Nalinkant Amratlal Rathod

**Date:** 26<sup>th</sup> June 2018

(DIN 00272129)

Chairman

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### **Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 forming part of the 32<sup>nd</sup> 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, offering 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. Bharthi 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. Bharati 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. Bharati Nalin Rathod being eligible, offering herself for re-appointment.

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

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

The shareholders at their 30<sup>th</sup> AGM held on 24.09.2016 have appointed Mr. Tribhuvan Simh Rathod as Managing Director of the Company till 11.08.2018. As the term of his office is due for re-appointment, the Board at their meeting held on 25.06.2018 have re-appointed him for another term of one year w.e.f. 12.08.2018, without remuneration, on the terms conditions as mentioned in the resolution, subject to the approval of shareholders. Mr. Tribhuvan Simh Rathod will be attaining 70 years of age by January 2019 and hence his appointment as Managing Director requires the approval of members by way of a special resolution.

Section 196(3) of the Companies Act, 2013, inter alia, provides that no company shall appoint /continue the employment of a person who has attained the age of 70 years, as Managing Director, Whole Time Director or Manager unless it is approved by the members by passing a special resolution.

Keeping in view that Mr Tribhuvan Simh Rathod has rich and varied experience in the Industry and has been involved in the operations of the Company over a long period of time, it would be in the interest of the Company to re-appoint him as Managing Director even after attaining 70 years of age.

Mr.Tribhuvan Simh Rathod, subject to the superintendence, control and direction of the Board of Directors, manage and conduct the business and affairs of the Company relating to Finance and Control. He shall not be paid any sitting fee for attending meetings of the Board or Committee thereof.

The appointment can be terminated by Mr.Tribhuvan Simh Rathod or the Company, by one party giving to the other 3(three) calendar months' notice in writing or by payment of a sum equivalent to remuneration for the notice period or part thereof in case of shorter notice or on such other terms as may be mutually agreed.

His other directorships include M/s. Bell Granito Ceramica Limited (Managing Director), M/s.Atreyia Finance Private Limited, M/s. Sologuard Medical Devices Private Limited and M/s. Restile Marketing Private Limited. He is not holding any shares in the Company.

Notice has been received from a member signifying his intention to propose appointment of Mr. Tribhuvan Simh Rathod as Managing Director of the Company along with a deposit of Rs. 1,00,000/-.

The Board of Directors recommended the resolution for the approval of Shareholders.

This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013 and SEBI (LODR) Regulations.

Additional Disclosure about the appointee as per Schedule V Part II of the Companies Act, 2013.

- Nature of Industry:

M/s. Restile Ceramics Limited is the manufacturing of Vetrified Tiles. The Company was incorporated in 1986 and is based in Telangana, India.

- Date of Commencement of Commercial Production:

The commercial operations of the Company started during the year 1986

- Financial Performance : Performance of the Company for the last three years is as follows:

(Rs. in Lakhs)

Item	2017-18 (Rs.)	2016-17 (Rs.)	2015-16 (Rs.)
Income from Operations (Gross)	66.25	25.96	319.28
Profit / (Loss) before Tax	(307.81)	(749.13)	(1003)
Profit / (Loss) after Tax	(313.85)	(748.87)	(1006.72)

- Export Performance and net foreign exchange earnings : NIL

- Foreign Investments or Collaborations, if any : NIL



Except Mr. Tribhuvan Simh Rathod being an appointee and his relatives Mr. Nalinkanth Amritlal Rathod and Smt. Bharati Nalin Rathod, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution.

**Item No.6 & 7**

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 are interested or concerned in passing of the resolution

By Order of the Board of Directors  
Sd/-

**Place:** Vadodara

Nalinkant Amratlal Rathod

**Date:** 26<sup>th</sup> June 2018

(DIN 00272129)

Chairman

## TO THE MEMBERS

The Directors are pleased to present the 32<sup>nd</sup> Annual Report of the Company together with its Audited Financial Statements for the year ended March 31, 2018.

### Financial Results

Particulars	₹ Lakhs	
	2017-18	2016-17
Revenue From Operations	66.25	25.95
Other Income	42.53	2.42
EBITDA	(31.68)	(55.39)
Interest and Financial charges	0.17	3.04
Depreciation	625.95	690.44
Profit/(Loss) before taxes and Exceptional Items	(657.80)	(791.19)
Exceptional Items	349.98	42.06
Provision for taxes	(6.65)	0.00
Profit / (Loss) for the Year	(314.47)	(748.87)

### Company Performance

The Company achieved a turnover of ₹66.25 Lakhs for the period ended March 31, 2018; increased by ₹40.30 Lakhs (155.29%) as compared to previous year.

The total expenditure for the period ended March 31, 2018 stood at ₹765.58 Lakhs, decreased by ₹53.99 Lakhs (6.59%) as compared to previous year.

The Loss (EBITDA) before Depreciation, Finance Cost and Tax for the year ended March 31, 2018 amounted to ₹ 31.68 Lakhs, decreased by ₹23.71 Lakhs (42.81%) as compared to previous year.

The Loss before tax and Exceptional item(s) for the year ended March 31, 2018 amounted to ₹657.80 Lakhs, decreased by ₹133.39 Lakhs (16.86%) as compared to previous year.

The tax expense for the year ended March 31, 2018 was ₹6.65 Lakhs. The Loss after tax for the year ended March 31, 2018 stood at ₹314.47 Lakhs as against a loss of ₹748.87 Lakhs of the previous year. No transfer was made to General reserve during the year ended March 31, 2018.

### 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, 2018.

### 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, 2018 stood at ₹3921.74 lakhs as against ₹4166.48 lakhs as at March 31, 2017.