

Date:-07.08.2021

To,
The General Manager,
Corporate relationship department,
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Fort,
Mumbai-400 001

Scrip Code: 515085
ISIN:- INE298E01022
Through: BSE Corporate Compliance & Listing Centre.

, Dear Sir/Madam,

Sub:- Outcome of Meeting of Board of Director held on 7th August,2021

With reference to our previous communication through letter dated 31st July, 2021, regarding the date of Board Meeting and business to be transacted thereat etc and in continuation to the same, this is to inform you that the Meeting of Board of Directors commenced at 12:30 p.m. and has inter alia considered the following business:

1. Consideration and approval of Standalone un-audited Financial Results along with limited review report for the 1st quarter ended on 30th June, 2021 pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. Consideration and approval of other businesses as per agenda circulated.

, The meeting of the Board of Directors concluded at 5.00 p.m.

You are therefore requested to take note of the same.

Thanking You

For, **RESTILE CERAMICS LIMITED**


Viren Rathod
Managing Director
(DIN:-03407158)

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

Ph. No. 9998219763

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RESTILE CERAMICS LIMITED

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

CIN:- L26931GJ1986PLC102350; Email: restile@accountscare.com; website: www.restile.com, Tel. No.

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2021

prepared in compliance with the Indian Accounting Standards (Ind AS)

Amount in Rs.lakhs (Except per equity share data)

S.No.	Particulars	Quarter Ended		Year Ended	
		30-Jun-21	31-Mar-21	30-Jun-20	31-Mar-21
		Unaudited	Audited (Refer Note 5)	Unaudited	Audited
1	Revenue from Operations	0.87	2.41	111.45	182.54
2	Other Income	-	0.05	0.27	0.43
3	Total Income (1+2)	0.87	2.46	111.72	182.97
4	EXPENSES				
	Cost of materials consumed.	2.26	2.39	-	2.39
	Purchases of Stock-in trade.	-	(0.32)	104.24	130.55
	Changes in inventories of finished goods, Stock-in-trade and work-in-progress.	0.60	17.59	2.78	27.01
	Employee benefits expenses	7.14	12.27	9.55	41.25
	Finance costs	-	-	-	-
	Depreciation and amortisation expense	142.99	142.98	142.99	571.94
	Consumption of Stores and Spares	3.50	(5.05)	6.72	45.46
	Other expenses	8.57	9.50	6.71	34.67
	Total Expenses	165.06	179.36	272.99	853.27
5	Profit/ (loss) before exceptional items and tax (3-4)	(164.19)	(176.90)	(161.27)	(670.30)
6	Exceptional items	-	-	-	-
7	Profit/ (loss) before tax (5-6)	(164.19)	(176.90)	(161.27)	(670.30)
8	Tax expense:	-	-	-	-
9	Profit/ (Loss) for the period from continuing operations (7-8)	(164.19)	(176.90)	(161.27)	(670.30)
10	Other Comprehensive Income				
A	Items that will not be reclassified to profit and loss				
	(i) Remeasurement of defined benefit- Gain/(loss)	(0.04)	(0.45)	0.11	(0.16)
	(ii) Income tax relating to items that will not be reclassified to profit and loss	-	-	-	-
B	(i) Items that will be reclassified to profit and loss	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit and loss	-	-	-	-
		(0.04)	(0.45)	0.11	(0.16)
11	Total Comprehensive Income for the period (9+10) (Comprising Profit (Loss) and Other Comprehensive Income for the period)	(164.23)	(177.35)	(161.16)	(670.46)
12	Earnings per equity share:				
	Basic and Diluted	(0.17)	(0.18)	(0.16)	(0.68)
13	Paid-up Equity Share Capital (Face value of Rs 10/- Per Share)	9,827.92	9,827.92	9,827.92	9,827.92
14	Other Equity as per balance sheet of previous accounting year				(12,136.67)



UDIN 21026452
AAACU4228

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Notes:

- (1) The above Financial results were reviewed by the Audit Committee and then approved by the Board of Directors at its meeting held on August 07, 2021. The statutory auditors have conducted a limited review on the above unaudited financial results.
- (2) The Board of Directors of the Company, being the Chief Operating Decision Maker ('CODM'), based on the internal business reporting system, identified that the Company has only one segment viz. vitrified tiles including Feldspar, a raw material used in vitrified tiles. Accordingly, there are no other reportable segments in terms of Ind AS 108 'Operating Segments'.
- (3) Considering the provisions of Ind AS12 'Income taxes' and as a matter of prudence, accrual of deferred tax asset has been restricted to the amount of deferred tax liability.
- (4) The Auditors have qualified the financial statements of the Company for the year ended March 31, 2021 and the financial results for the Quarter ended June 30, 2021 regarding adoption of Going Concern principles for the said years/ period and non-recognition of impairment in value of Building. The issue of negative operating cash flows and incurrence of operating losses over the years highlighted by Auditors are being addressed through proposed restructuring of operations. 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. Independent Valuation 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 necessary approvals.
- (5) The figures for the quarter ended March 31, 2021 is the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the period ended December 31, 2020, which were subject to limited review by the statutory auditors.
- (6) The Company has taken into account all the possible impacts of COVID-19 in preparation of these financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue recognition, impact on leases etc. The Company has carried out this assessment based on available internal and external sources of information upto the date of approval of these financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the financial statements may differ from that estimated as at the date of approval of these financial statements owing to the nature and duration of COVID-19.
- (7) The previous period figures have been regrouped / reclassified wherever necessary to conform to current period/year.

Place: Chennai
Date: August 07, 2021

Viren Rathod
Managing Director



UDIN 21026452 AAAACU 4228

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R. SUNDARARAJAN & ASSOCIATES

CHARTERED ACCOUNTANTS

August 07, 2021

The Board of Directors
Restile Ceramics Limited
204, Sarkar Complex,
Vaccine Crossing,
Old Padra Road,
Vadodara, Gujarat-390015

Dear Sirs,

Sub: Limited review of Unaudited Financial Results for the Quarter ended June 30, 2021

1. We have carried out the limited review of Unaudited Financial Results of the Restile Ceramics Limited ('Company') for the Quarter ended June 30, 2021 included in the Statement of Unaudited Financial Results for the Quarter ended June 30, 2021.
2. The purpose of the review is to enable the Company to submit our report on the said limited review to the stock exchanges in terms of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015 as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.
3. The Company has prepared the above Unaudited financial results in accordance with the recognition and measurement principles laid down in the Ind AS 34 'Interim Financial Reporting' prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued there under and the other accounting principles generally accepted in India.
4. The procedures adopted by our firm for the purpose of the said limited review consisted principally of applying analytical procedures for financial data, obtaining and analysing management representations/ explanations for the variance that application of such analytical procedures have revealed and making inquiries of persons responsible for financial and accounting matters. Such inquiries include obtaining an understanding of management's assessment of the risks that the said results may be materially misstated and the internal control system that is in vogue to address such risk. The aforesaid procedures are substantially less in scope than an audit carried out in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding financial results taken as a whole. Accordingly, we do not express such an opinion.





R. SUNDARARAJAN & ASSOCIATES

CHARTERED ACCOUNTANTS

5. Based on the review, except for the matter stated in the Basis for Qualified conclusion paragraph in our limited review report, we confirm that the Unaudited Financial Results for the quarter ended June 30, 2021 has been prepared based on the applicable Ind AS principles and has disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing obligations and disclosure requirements) Regulations, 2015 as modified by relevant SEBI circulars and does not contain any material misstatement.
6. Our observations in the course of the review are:
- (i) For the period ended June 30, 2021, the major estimate recognized in the Ind AS financial statements is Gratuity of Rs 0.24 lakhs. We have accepted the estimate made as being reasonable in the circumstances.

(ii) Carrying Value of certain items

The following items are lying in Capital Work in Progress (CWIP) for a considerable period of time.

Sl.No.	Particulars	30.06.2021 (Rs. In lakhs)	31.03.2021 (Rs. In Lakhs)
1	Foshan Pump Driving System	13.84	13.84
2	Glaze Line Machine	45.75	110.75
3	Rotor Printing Machine	34.54	71.55
	Total	94.13	196.14

The movement in CWIP above represents, part of the assets disposed off during the period to Bell Granito Ceramics Limited at cost, thus there is no profit or loss on such disposal. Management has represented that the remaining CWIP assets as above will also be disposed off in near future at cost based on the approvals of the Audit Committee/ Board of Directors. Thus there is no impairment in the carrying value of the asset to be made in the books of accounts. Based on the above representation, no adjustment to the carrying value has been made for the period.





R. SUNDARARAJAN & ASSOCIATES

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(iii) Receivables:

Following receivables outstanding for more than 180 days are considered good and recoverable based on the representation by the management. We have concurred with the treatment but would suggest more closer review of the said debts.

S.No.	Particular	More than 180 days (Rs. In lakhs)	Due from
	Restile Marketing, Vijayawada	0.05	Sep -20
	Ketkar Brothers	0.26	Jun-20
	Balance	0.31	

7. We detail the issues, which arose, during our review for the period together with the treatment thereof and certain judgmental decisions taken during the review. These have been discussed with Mr. Viren Rathod, Managing Director.

A. Compliance with Indian Accounting Standards (Ind AS)

- (a) In terms of Ind AS 12 Income Taxes, the Balance Sheet approach ought to be used to determine deferred tax. The requirements of the above Standard results in a Net Deferred tax asset. As a matter of prudence, deferred tax asset accrued on unabsorbed depreciation and other temporary difference restricted to the deferred tax liability. We have concurred with the treatment accorded considering our doubts on the company's ability to continue as a going concern and in terms of Para 27 of Ind AS 12.
- (b) 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. In this connection, we discussed with the management the usage of raw materials and other components in the light of the loss incurred and the inability to have operating margins. Management has represented that the raw material and components have been valued at realisable values. On the said basis, we have concurred with the management that no provision for further write down is required for raw materials and other supplies held for production. Further, in respect of finished goods it was





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CHARTERED ACCOUNTANTS

represented the value of such materials in stock at the end of the period has already been written down to estimated net realisable value. We have concurred with the management regarding the aforesaid method of valuation.

- (c) Ind AS 36 Impairment of Assets requires an assessment of possible impairment in value of assets at each Balance Sheet date. The Company had carried out an evaluation of the market value of its fixed assets as on April 1, 2017 which revealed an impairment in value of Buildings (Rs.376.20 lakhs) which has not been recognised in the Statement of unaudited financial results. Since Ind AS 36 is mandatory, we have qualified our Review Report to this effect.

B. Judgemental Decisions

- (a) The Company has generated negative operating cash flows, incurred substantial losses and significant deterioration in value of assets used to generate cash flows. We discussed with Management the validity of 'Going Concern' assumption adopted in preparation of the financial statements in view of the aforesaid conditions existing in the Company. Management has represented that plans are on the anvil for a restructuring of operations which would ensure viability of future operations. We have however concluded that there is a material uncertainty in the Company's ability to continue as a going concern for reasonable period of time on the basis that the plans for restructuring have been delayed and further these do not provide for restarting & turnaround of operations of the company on its own and have qualified our review report accordingly.
- (b) There are certain dues which have been pending payment for a substantial period of time, of which include dues to employees in terms of final settlement- Rs.14.74 lakhs, dealer deposits Rs.45.50 lakhs and trade creditors/advances from customers Rs.54.09 lakhs. Necessary follow up action to pay the same needs to be initiated together with a mechanism to monitor the progress in the light of demands from the creditors. We would also like to draw attention to the requirements of MSME Act, 2006 as amended and the requirements to file periodic returns. It is therefore mandatory that balances of vendors be circulated and the status of the vendors in terms of MSME Act 2006 be ascertained.





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(c) The following statutory dues as on June 30, 2021, are outstanding for more than 6 months

PARTICULARS	AMOUNT (in lakhs)	Period of Outstanding
AP CST 2%	6.50	Dues of year 2017-18
Income tax demand	1.51	Demand for year 2009-10.
Southern Power Distribution Co of Telangana Ltd	5.09	Outstanding from March 2019
AP Pollution Control Board	1.25	Dues of year 2017-18
Property Tax	3.03	Dues of 2020-21
Total	17.38	

We are of the view that the aforesaid issues ought to be constantly reviewed /monitored for appropriate corrective action so that these can be resolved within a definite time-frame and before the end of the year.

(d) GST input receivable (CGST Rs 29.93 lakhs, SGST Rs 0.33 lakhs and IGST Rs 0.23 lakhs) aggregate Rs 30.49 lakhs for which possibility of refund claim needs to be explored. Pending such claim, the said amount has been considered recoverable/ adjustable.

Thanking you
Yours faithfully


R. Sundararajan & Associates
Chartered Accountants
Firm's Registration No: 008282S





R. SUNDARARAJAN & ASSOCIATES

CHARTERED ACCOUNTANTS

Independent Auditors' Review Report on the Unaudited Financial Results for the Quarter ended June 30, 2021 of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

TO THE BOARD OF DIRECTORS OF RESTILE CERAMICS LIMITED

1. We have reviewed the Unaudited Financial Results of **Restile Ceramics Limited** (the "Company") for the quarter ended June 30, 2021 (the "financial results") which are included in the accompanying "Statement of Unaudited Financial Results for the quarter ended June 30, 2021" (the "Statement"). The Statement has been prepared by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. ("the Listing Regulations").
2. This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Basis of Qualified Conclusion

4. 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 Statement do not include any adjustments that might result had the above uncertainties been known. The Company's building is carried in the books at a value of Rs. 625.53 lakhs as at June 30, 2021. Independent valuation of the same during a previous period had indicated impairment in value of Rs.376.20 lakhs which ought to be recognized in the Statement of Profit and Loss for the period. However, the Company has represented (Refer Note 4) that under





R. SUNDARARAJAN & ASSOCIATES

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the rehabilitation scheme sanctioned by Board of Industrial Financial Reconstruction 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 National Company Law Tribunal. Consequently, the said impairment in value of Building has not been recognized in the Financial Results.

Conclusion

5. Based on our review conducted and procedures as stated in paragraph 3 , except for the effect of matters as mentioned in paragraph 4 above, nothing has come to our attention that causes us to believe that the Statement has not been prepared in all material aspects in accordance with the applicable Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 and other accounting practices and policies generally accepted in India and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations,2015, as amended from time to time, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. We draw your attention to Note 6 to the Statement which explains the uncertainties and the management's assessment of the financial impact due to lock-downs and other restrictions and conditions related to the COVID-19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve. Our conclusion is not modified in respect of this matter.

R. Sundararajan & Associates
Chartered Accountants
Firm's Registration No: 008282S

S. Krishnan

Partner

Membership No. 26452

UDIN:

21026452 AAAACU4228



August 07 ,2021
Chennai