

Dated 6th February 2021

The General Manager
Department of Corporate Services
Bombay Stock Exchange Limited
1st Floor, Rotunda Building,
B.S.Marg, Fort,
Mumbai - 400 001

Dear Sir,

Sub: Intimation of outcome of Board Meeting - reg.

Ref: Regulation 33 of SEBI (LODR) Regulations, 2015.

Scrip Code: 515085

With reference to the above cited subject, we wish to inform you that the Board of Directors at their Board Meeting held on even date inter-alia, have approved the Unaudited Financial Results of the Company for the quarter ended 30th December 2020 as reviewed by the Audit Committee.

Please find enclosed the Unaudited Financial Results together with the Limited review report.

The meeting of the Board of Directors of the Company commenced at 3.00 pm and concluded at 4.00 p.m.

Request you to take the above information on record.

Thanking you,
for **Restile Ceramics Limited**



Authorised signatory

Encl: As above

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@accounts.com, restile@restile.com, restile@restile.com

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.
UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2020

S.No.	Particulars	Quarter Ended			Amount in Rs.lakhs (Except per equity share data)	
		31-Dec-20	30-Sep-20	31-Dec-19	31-Dec-20	31-Dec-19
		Unaudited			Unaudited	
						Year Ended 31-Mar-20
						Audited
1	Revenue from Operations	10.84	57.84	42.00	180.13	182.37
2	Other Income	0.06	0.05	0.07	0.38	9.63
3	Total Income (1+2)	10.90	57.89	42.07	180.51	192.00
4	EXPENSES					217.40
	Cost of materials consumed.	-	-	-	-	8.85
	Purchases of Stock-in-trade.	5.97	20.66	31.40	130.87	130.03
	Changes in inventories of finished goods, Stock-in-trade and work-in-progress.	5.96	0.68	3.80	9.42	33.08
	Employee benefits expenses	9.71	9.72	8.64	28.98	35.64
	Finance costs	-	-	-	-	0.01
	Depreciation and amortisation expense	142.99	142.98	142.99	428.96	571.94
	Consumption of stores and spare parts	4.33	39.47	11.54	50.52	42.19
	Other expenses	7.01	11.44	11.91	25.16	47.98
	Total Expenses	175.97	224.95	210.28	673.91	869.72
5	Profit/ (loss) before exceptional items and tax (3-4)	(165.07)	(167.06)	(168.21)	(493.40)	(652.32)
6	Exceptional Items	-	-	-	-	-
7	Profit/ (loss) before tax (5-6)	(165.07)	(167.06)	(168.21)	(493.40)	(652.32)
8	Tax expense:					
	(a) Current tax -charge/(writeback)	-	-	-	-	-
	(c) Deferred tax	-	-	-	-	-
9	Profit/ (Loss) for the period from continuing operations (7-8)	(165.07)	(167.06)	(168.21)	(493.40)	(652.32)
10	Other Comprehensive Income					
A	Items that will not be reclassified to profit and loss					
	(i) Remeasurement of defined benefit- Gain/(loss)	0.10	0.08	0.11	0.29	0.33
	(ii) Income tax relating to items that will not be reclassified to profit and loss	-	-	-	-	(0.39)
B	Income tax relating to items that will not be reclassified to profit and loss					
	(i) Items that will be reclassified to profit and loss	-	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit and loss	-	-	-	-	-
	Total Comprehensive Income for the period (9+10) (Comprising Profit (Loss) and Other Comprehensive Income for the period)	(164.97)	(166.98)	(168.10)	(493.11)	(652.71)
12	Earnings per equity share of Rs 10/- per share (Not annualised)					
	Basic and Diluted	(0.17)	(0.17)	(0.17)	(0.50)	(0.51)
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	9,827.92
14	Other Equity as per balance sheet of previous accounting year					(11,466.21)


R. SUNDARARAJAN & ASSOCIATES
CHENNAI
F.R. No. 08282S
CHARTERED ACCOUNTANTS

RESTILE CERAMICS LIMITED

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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 February 06, 2021. The information for the year ended March 31, 2020 presented above is extracted from the audited financial statements. These financial statements are prepared in accordance with the Indian Accounting Standards (IND AS) as prescribed under section 133 of the Companies Act, 2013.
- (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. Accordingly, there are no other reportable segments in terms of Ind AS 108 'Operating Segments'.
- (3) Considering the provisions of Ind AS 12 'Income taxes' and as a matter of prudence, accrual of deferred tax asset as at December 31, 2020 has been restricted to the amount of deferred tax liability.
- (4) The Auditors had qualified the financial statements of the Company for the year ended March 31, 2020 and the financial results for the Quarter and Nine months ended December 31, 2020 regarding adoption of Going Concern principles for the said year/ 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 outbreak of Coronavirus (Covid-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. In such a situation, the Company has taken due care in concluding on accounting judgements and estimates; viz., in relation to recoverability of receivables, assessment of impairment of assets and inventory for the quarter and nine months ended December 31, 2020, based on the internal and external information available up to the date of approval of these financial results and expects to recover the carrying value of its assets. The actual impact of the global health pandemic may be different from that which has been estimated, as the COVID-19 situation evolves in India and globally. The Company continues to monitor the economic effects of the pandemic on the operations and take appropriate actions as and when required.
- (6) The Company's operations and financial results for the nine months have been adversely impacted by the lockdown imposed to contain the spread of COVID-19. The operations gradually resumed with requisite precautions during the first quarter with limited availability of workforce and disrupted supply chain.
- (7) The Code on Social security, 2020 (the Code) has been enacted recently which, inter alia, deals with employee benefits during employment and post-employment. The Code has been published in the Gazette of India. The effective date of the Code is yet to be notified and the rules for quantifying the financial impact are also yet to be issued. In view of this, the impact of the change, if any, will be assessed and recognized post notification of the relevant provisions.
- (8) The previous period figures have been regrouped / reclassified wherever necessary to conform to current period.

Place: Chennai
Date: February 6, 2021


Viren Rethod
Managing Director



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R. SUNDARARAJAN & ASSOCIATES

CHARTERED ACCOUNTANTS

Independent Auditors' Review Report on the Unaudited Financial Results for the Quarter and Nine months ended December 31, 2020 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 December 31, 2020 and year to date from April 01, 2020 to December 31, 2020 (the "financial results") which are included in the accompanying "Statement of Unaudited Financial Results for the quarter and nine months ended December 31, 2020" (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 of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than the audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. 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





R. SUNDARARAJAN & ASSOCIATES

CHARTERED ACCOUNTANTS

of Rs. 644.59 lakhs as at December 31, 2020. 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 that under 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 5 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:



21026452AAAAAU2085
February 06, 2021
Chennai



R. SUNDARARAJAN & ASSOCIATES
CHARTERED ACCOUNTANTS

February 06, 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 and Nine Months ended December 31, 2020

1. We have carried out the limited review of Unaudited Financial Results of the Restile Ceramics Limited ('Company') for the Quarter and Nine Months ended December 31, 2020 included in the Statement of Unaudited Financial Results for the Quarter and Nine Months ended December 31, 2020.
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.

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 and nine months ended December 31, 2020 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 December 31, 2020, the major estimate recognized in the Ind AS financial statements is Gratuity of Rs 0.59 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 for a considerable period of time.

Sl.No.	Particulars	31.12.2020 (Rs. In lakhs)	31.03.2020 (Rs. In Lakhs)
1	Foshan Pump Driving System	13.84	13.84
2	Glaze Line Machine	110.75	110.75
3	Rotor Printing Machine	71.55	71.55
	Total	196.14	196.14

Management has represented that progress has been made to complete the above works and commission the said machineries. The delays, it was represented, were mainly due to the pendency of the restructuring exercise which is on the anvil. Further, the values had in the earlier not reported any impairment in carrying value. Management assessment of the carrying value has also not revealed any impairment. Based on the above representation, no adjustment to the carrying value has been made for the period.

(iii) Advance to Employees amounting to Rs 1.20 lakhs given in the month of June 2020 is considered recoverable based on management representation. It was explained that the advance was given for procurement of maintenance items. Subsequently it was decided not to procure the same, hence the advance given will be recovered.



(iv) 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 partial outstanding cases and debts more than one year.

S.No.	Particular	More than 180 days (Rs. In lakhs)	Due from
	Krishna Enterprises	0.52	Jun-20
	New Sri Subramanya Swamy Minerals & Traders	2.75	Feb-20
	V.Prasanth	0.44	Mar-20
	Aditya Enterprises	0.03	Feb-20
	A.P.K.Impex	0.43	Mar-20
	Mr.Yadagiri	0.09	Nov-19
	Ketkar Brothers	0.26	Jun-20
	Om Sales Corporation	2.13	Jun-20
	Balance	6.65	

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



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.16.16 lakhs, dealer deposits Rs.45.50 lakhs and trade creditors/advances from customers Rs.54.10 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.



(c) The following statutory dues are outstanding as on December 31, 2020.

PARTICULARS	AMOUNT (in lakhs)	Period of Outstanding
AP CST 2%	6.50	Dues of year 2017-18
AP Pollution Control Board	1.25	Dues of year 2017-18
Total	7.75	

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) We also noticed that the following statutory dues had not been paid/ paid belatedly

S.no	Nature of Dues	Period	Amount (Rs)	Due date for Remittance	Actual Date of remittance
(i)	EPF	April 2020	0.09	15-05-2020	24-08-2020
		May 2020	0.09	15-06-2020	24-08-2020
		June 2020	0.09	15-07-2020	24-08-2020
		July 2020	0.09	15-08-2020	20-10-2020
		July 2020	0.16	15-08-2020	24-12-2020
		Aug 2020	0.25	15-09-2020	20-10-2020
		Sept 2020	0.25	15-10-2020	09-11-2020
		Oct 2020	0.25	15-11-2020	24-12-2020
		Nov 2020	0.24	15-12-2020	24-12-2020
		Dec 2020	0.24	15-01-2021	18-01-2021
(ii)	ESI	April 2020	0.09	15-05-2020	05-09-2020
		May 2020	0.09	15-06-2020	05-09-2020
		June 2020	0.09	15-07-2020	05-09-2020
		July 2020	0.04	15-08-2020	20-10-2020
		July 2020	0.05	15-08-2020	24-12-2020
		Aug 2020	0.09	15-09-2020	20-10-2020
		Sept 2020	0.09	15-10-2020	09-11-2020
		Oct 2020	0.09	15-11-2020	23-12-2020
		Nov 2020	0.09	15-12-2020	18-12-2020

Thanking you

Yours faithfully



R. Sundararajan & Associates

Chartered Accountants

Firm's Registration No: 008282S

